



**LODI CITY COUNCIL**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**AGENDA – REGULAR MEETING**

**Date:** December 21, 2005  
**Time:** Closed Session 6:30 p.m.  
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:

**Susan J. Blackston**  
City Clerk  
Telephone: (209) 333-6702

***NOTE:** All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 24 hours prior to the meeting date.*

**C-1 Call to Order / Roll Call**

**C-2 Announcement of Closed Session**

- a) Actual litigation: Government Code §54956.9(a); one case; People of the State of California; and the City of Lodi, California v. M & P Investments, et al.; United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM

**C-3 Adjourn to Closed Session**

**NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.**

**C-4 Return to Open Session / Disclosure of Action**

**A. Call to Order / Roll call**

**B. Invocation – Pastor Dale Edwards, Century Assembly**

**C. Pledge of Allegiance**

**D. Presentations**

- D-1 Awards – None  
D-2 Proclamations – None  
D-3 Presentations – None

**E. Consent Calendar (Reading; comments by the public; Council action)**

- E-1 Receive Register of Claims in the amount of \$7,225,789.11 (FIN)

- E-2 Approve minutes (CLK)

- a) November 8, 2005 (Shirtsleeve Session)  
b) November 15, 2005 (Shirtsleeve Session)  
c) November 15, 2005 (Special Meeting)  
d) November 29, 2005 (Shirtsleeve Session)  
e) December 6, 2005 (Shirtsleeve Session)  
f) December 6, 2005 (Special Meeting)

- Res. E-3 Adopt resolution approving specifications for total station surveying equipment with global positioning satellite capability and authorizing the City Manager to approve the purchase from Haselbach Surveying Instruments as the sole supplier (not to exceed \$64,000) (PW)

- Res. E-4 Adopt resolution authorizing the City Manager to negotiate and purchase five Type 2 Medium Bus (Dial-A-Ride) transit vehicles off of the state contract, authorizing conversion of the five vehicles to compressed natural gas, and appropriating funds (\$425,000) (PW)

- Res. E-5 Adopt resolution accepting improvements at 2650 West Lodi Avenue (PW)
- Res. E-6 Adopt resolution approving the Disadvantaged Business Enterprise Program and Established Overall Annual Disadvantaged Business Enterprise goal of 6% for Federal Transit Administration-assisted projects for federal fiscal year 2005-06 (PW)
- Res. E-7 Adopt resolution authorizing three-year extension of existing telephone service contract with SBC (\$231,333 per year) (ISD)
- Res. E-8 Adopt resolution ratifying Purchasing Policies and Procedures (FIN)
- E-9 Receive notice of intent to issue annual payment to the Mokelumne Rural Fire District as negotiated in the annexation agreement approved on September 6, 2000 (\$27,917.96) (CM)
- E-10 Receive for informational purposes annual Housing Element report for submittal to the Department of Housing and Community Development (CD)

**F. Comments by the public on non-agenda items**

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

**G. Comments by the City Council Members on non-agenda items**

**H. Comments by the City Manager on non-agenda items**

**I. Public Hearings – None**

**J. Communications**

- J-1 Claims filed against the City of Lodi – None
- J-2 Appointments – None
- J-3 Miscellaneous
- a) Monthly Protocol Account Report (CLK)

**K. Regular Calendar**

- Res. K-1 Approve Downtown Lodi Business Partnership 2005-06 Annual Report, adopt Resolution of Intention to levy annual assessment, and set public hearing for January 4, 2006 (CM)
- Ord. K-2 Introduce ordinance adding Chapter 15.65 to the Lodi Municipal Code establishing the San (Introduce) Joaquin County Regional Transportation Impact Fee Program and set public hearing for January 4, 2006, to consider adoption of the fee (PW)
- Res. K-3 Adopt resolution eliminating early lock-in date for Development Impact Fees established in Resolution 2004-238 and establishing that Development Impact Fees established by Resolution 2004-238 will not be locked in until the time required by California law (CA)
- Res. K-4 Adopt resolution approving SBC Encroachment Permit Condition (Video Programming Limitation) for new facilities installations (CM)
- Res. K-5 Adopt resolution authorizing the City Manager or his designee to execute a Project Development Agreement to fund due diligence assessments associated with the Resource 500 generation project (not to exceed \$61,875) (EUD)
- K-6 Provide preliminary and non-binding policy direction regarding electric rate design/structure for future adjustment to base rates by transferring rates from Market Cost Adjustment charges to Base Rate charges, i.e. "Truing up the Electric Rates" (EUD)

- Res. K-7 Adopt resolution awarding contract to Rosendin Electric Inc., of San Jose, CA, for the reconstruction of Killelea Substation and the addition of 60kV power circuit breakers at Industrial Substation, accepting bid withdrawal of Diede Construction, and transferring funds (\$4,231,874) (EUD)
- K-8 Ratify employment agreement entered into between City Manager, Blair King, and Deputy City Manager/Internal Services Director, James Krueger, and receive for information only a report on the reorganization of the Finance Department and City Manager's Office (CM)
- Ord. K-9 Introduce ordinance amending Lodi Municipal Code relating to the establishment of wastewater development impact fees by amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.12, "Sewer Service," by repealing and reenacting Sections 13.12.020 (5) and (45), 13.12.180 (A), and 13.12.190; and further amending Title 15 – Buildings and Construction – Chapter 15.64, "Development Impact Mitigation Fees," by amending Section 15.64.10 – adding new paragraph "F" and relettering paragraphs (G) and (H) – repealing and reenacting Sections 15.64.030 (A) and 15.64.040, amending Section 15.64.060 – adding paragraph "C" – and repealing and reenacting Section 15.64.070 (B) (PW)
- (Introduce)
- K-10 Discuss and select project nominations for San Joaquin Council of Governments' One Voice trip (PW)
- K-11 Approve expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation and various other cases being handled by outside counsel (\$111,268.43) and approve Special Allocation covering general litigation matter expenses (\$10,066.11) (CA)

**L. Ordinances – None**

**M. Adjournment to the following agency meetings:**

- M-1 Meeting of the Lodi Public Improvement Corporation
- M-2 Meeting of the Industrial Development Authority
- M-3 Meeting of the Lodi Financing Corporation
- M-4 Meeting of the City of Lodi Redevelopment Agency

**N. Adjournment**

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Susan J. Blackston  
City Clerk



**LODI CITY COUNCIL**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**AGENDA - Lodi Public Improvement Corp.**  
**Date: December 21, 2005**  
**Time: 7:00 p.m.**

For information regarding this Agenda please contact:

**Susan J. Blackston**  
**City Clerk**  
**Telephone: (209) 333-6702**

***MEETING OF THE  
Public Improvement Corporation (PIC)  
of the City of Lodi***

- A. Call to order – President
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- D. Other business
- E. Comments by the public on non-agenda items
- F. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Susan J. Blackston  
Secretary  
Lodi Public Improvement Corporation





**LODI CITY COUNCIL**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**AGENDA - Industrial Development Authority**

**Date: December 21, 2005**

**Time: 7:00 p.m.**

For information regarding this Agenda please contact:

**Susan J. Blackston**  
**City Clerk**  
**Telephone: (209) 333-6702**

**Industrial Development Authority (IDA)**  
**of the City of Lodi**

- A. Call to order – Chairperson
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- D. Other business
- E. Comments by the public on non-agenda items
- F. Adjournment

Pursuant to Section 54956.2(a) of the Government Code of the State of California, this Agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Susan J. Blackston  
Secretary  
Industrial Development Authority



## **LODI CITY COUNCIL**

**Carnegie Forum**

**305 West Pine Street, Lodi**

## **AGENDA - Lodi Financing Corporation**

**Date: December 21, 2005**

**Time: 7:00 p.m.**

For information regarding this Agenda please contact:

**Susan J. Blackston**

**City Clerk**

**Telephone: (209) 333-6702**

### ***MEETING OF THE Lodi Financing Corporation***

- A. Call to order – President
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- D. Other business
- E. Comments by public on non-agenda items
- F. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Susan J. Blackston  
Secretary  
Lodi Financing Corporation



**LODI CITY COUNCIL**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**AGENDA – Redevelopment Agency**

**Date: December 21, 2005**

**Time: 7:00 p.m.**

For information regarding this Agenda please contact:

**Susan J. Blackston**  
**City Clerk**  
**Telephone: (209) 333-6702**

**MEETING OF THE**  
**Redevelopment Agency**  
**Of the City of Lodi**

- A. Call to order – Chairperson
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- D. Other business
- E. Comments by the public on non-agenda items
- F. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Susan J. Blackston  
Secretary  
Redevelopment Agency of the City of Lodi



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Receive Register of Claims Dated December 05, 2005 in the Amount of \$7,225,789.11

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Management Analyst

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**RECOMMENDED ACTION:** That the City Council receives the attached Register of Claims. The disclosure of the PCE/TCE expenditures is shown as a separate item on the Register of Claims.

**BACKGROUND INFORMATION:** Attached is the Register of Claims in the amount of \$7,225,789.11 dated 12/05/2005 which includes PCE/TCE payments of \$526,104.78

**FISCAL IMPACT:** n/a

**FUNDING AVAILABLE:** As per attached report.

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James R. Krueger, Finance Director

JRK/kb

Attachments

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**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

Accounts Payable	Page	-	1
Council Report	Date	-	12/05/05
As of	Fund	Name	Amount
Thursday			

11/24/05	00100	General Fund	942,886.28
	00123	Info Systems Replacement Fund	1,225.42
	00160	Electric Utility Fund	4,887,035.81
	00161	Utility Outlay Reserve Fund	8,096.67
	00164	Public Benefits Fund	3,025.37
	00170	Waste Water Utility Fund	9,507.89
	00180	Water Utility Fund	1,962.18
	00210	Library Fund	2,599.09
	00234	Local Law Enforce Block Grant	302.78
	00270	Employee Benefits	48,412.31
	00300	General Liabilities	1,965.60
	00310	Worker's Comp Insurance	26,755.88
	00325	Measure K Funds	316,905.10
	00327	IMF(Local) Streets Facilities	198,206.02
	00335	State-Streets	97,812.00
	00340	Comm Dev Special Rev Fund	1,042.47
	00459	H U D	830.30
	01211	Capital Outlay/General Fund	5,089.48
	01212	Parks & Rec Capital	1,875.00
	01250	Dial-a-Ride/Transportation	139,882.59
	01410	Expendable Trust	4,266.09

Sum			6,699,684.33
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Total for Week

Sum			6,699,684.33
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Accounts Payable	Page	-	1
Council Report	Date	-	12/05/05
As of	Fund	Name	Amount
Thursday			
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12/01/05	00100	General Fund	184,462.03
	00123	Info Systems Replacement Fund	8.83
	00160	Electric Utility Fund	39,433.28
	00161	Utility Outlay Reserve Fund	72,151.70
	00164	Public Benefits Fund	6,774.55
	00170	Waste Water Utility Fund	7,746.93
	00171	Waste Wtr Util-Capital Outlay	1,214.84
	00180	Water Utility Fund	5,171.85
	00181	Water Utility-Capital Outlay	1,844.90
	00182	IMF Water Facilities	34,557.84
	00184	Water PCE-TCE-Settlements	66,654.74
	00210	Library Fund	8,002.67
	00270	Employee Benefits	1,248.94
	00310	Worker's Comp Insurance	3,838.19
	00325	Measure K Funds	17,263.43
	00327	IMF(Local) Streets Facilities	310.00
	00329	TDA - Streets	1,656.90
	00340	Comm Dev Special Rev Fund	398.17
	00457	Hud-2001/02	237.05
	01250	Dial-a-Ride/Transportation	6,928.07
	01410	Expendable Trust	9,271.00
			-----
Sum			469,175.91
	00183	Water PCE-TCE	56,928.87
			-----
Sum			56,928.87
			-----
Total for Week			
Sum			526,104.78

Payroll	Pay Per Date	Co	Name	Gross Pay
Regular	11/20/05	00100	General Fund	799,088.96
		00160	Electric Utility Fund	147,892.64
		00164	Public Benefits Fund	5,023.94
		00170	Waste Water Utility Fund	71,144.41
		00180	Water Utility Fund	8,918.07
		00210	Library Fund	31,368.36
		00235	LPD-Public Safety Prog AB 1913	173.86
		00340	Comm Dev Special Rev Fund	37,298.88
		01250	Dial-a-Ride/Transportation	2,852.17
				-----
Pay Period Total:				
Sum				1,103,761.29
Retiree	12/31/05	00100	General Fund	33,124.44
				-----
Pay Period Total:				
Sum				33,124.44



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## **CITY OF LODI COUNCIL COMMUNICATION**

**AGENDA TITLE:** Approve Minutes  
a) November 8, 2005 (Shirtsleeve Session)  
b) November 15, 2005 (Shirtsleeve Session)  
c) November 15, 2005 (Special Meeting)  
d) November 29, 2005 (Shirtsleeve Session)  
e) December 6, 2005 (Shirtsleeve Session)  
f) December 6, 2005 (Special Meeting)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** That the City Council approve the following minutes as prepared:

- a) November 8, 2005 (Shirtsleeve Session)
- b) November 15, 2005 (Shirtsleeve Session)
- c) November 15, 2005 (Special Meeting)
- d) November 29, 2005 (Shirtsleeve Session)
- e) December 6, 2005 (Shirtsleeve Session)
- f) December 6, 2005 (Special Meeting)

**BACKGROUND INFORMATION:** Attached are copies of the subject minutes, marked Exhibits A through F.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

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Susan J. Blackston  
City Clerk

SJB/JMP

Attachments

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**APPROVED:** \_\_\_\_\_  
Blair King, City Manager



**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, NOVEMBER 8, 2005**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, November 8, 2005, commencing at 7:01 a.m.

**A. ROLL CALL**

Present: Council Members – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

**B. TOPIC(S)**

B-1 "Review of citizens' Fire and Facilities Sales Tax Initiative fiscal impact study"

City Manager King stated that the Fire and Facilities Sales Tax Initiative has qualified for the November 7, 2006 ballot. It will ask voters to increase the sales tax in Lodi by one quarter cent for a ten-year period (i.e. from 7.75% to 8%). The initiative designates specific purposes for the proceeds, so it will require a two-thirds vote to pass.

With the aid of an overhead presentation (filed), Finance Director Krueger reported that the measure would garner \$28.6 million in revenue over a ten-year period. He mentioned that last year's sales tax growth rate was 8%; however, the average over the last several years was 5.7%. The initiative has \$22 million worth of capital costs and \$6.6 million in operating costs. In the first year, \$2.3 million in revenue would be received and \$700,000 is earmarked for paramedics, leaving a balance of \$1.6 million. In the second year, \$2.3 million would be received, with \$700,000 spent toward paramedics, leaving a balance of \$3.2 million. In year three, \$2.5 million in revenue will be generated, with \$700,000 spent on paramedics, and \$2 million expended toward Fire Station 5. Mr. Krueger estimated the operations cost of Fire Station 5 to be \$1,453,000, which is not included as costs to be covered in the initiative. In year four, \$2.6 million would be received, with \$700,000 spent toward paramedics, and \$4 million expended toward the aquatics center. By year five, the cost of the aquatics center will be two-thirds funded, with \$700,000 again devoted to paramedics. Year six is the last year that paramedics are to be funded within the initiative, and in that year the remaining \$3 million toward the \$9 million aquatics center will be expended. Mr. Krueger pointed out that at the end of year six, another funding source would have to pick up the \$5.8 million in anticipated operations costs. In year seven, Fire Station 2 would be rehabilitated for an estimated \$2 million, and there would be \$1 million available to begin work on the indoor sports facility. Mr. Krueger reported that by year seven there would be a cumulative unfunded amount of nearly \$8 million. In year eight and nine, more of the indoor sports center could be constructed and completion would occur in year ten. If the estimates were accurate, there would be \$2.4 million remaining in year ten that could be used toward operations costs, still leaving an estimated \$12 million in unfunded costs. Mr. Krueger stated that a quarter cent sales tax increase would result in a per capita increase of \$40 per year.

In answer to Council Member Hansen, Fire Chief Pretz stated that 18 paramedics would be needed to fully staff the fire stations.

Mr. Krueger reported that currently public safety expenditures total \$23 million and revenues are just under \$19 million. Public safety expenses consume 125% of property and sales tax. He suggested that a long-term financial goal from a stability standpoint would be to set it no higher than 130%.

Council Member Mounce pointed out that, as the community grows, Fire Station 5 would be needed with or without the initiative. She felt that if a fifth Fire Station could not be sustained then no more new homes should be built.

Mayor Beckman recalled that he had initially welcomed the concept of a sales tax initiative that could pay for building recreational facilities that would be self sufficient; however, the Fire and Facilities Sales Tax Initiative locks the City into long-term costs that the initiative cannot fund, which he believed to be very detrimental. He noted that there is no ongoing funding source for the cost of paramedics and the initiative discontinues its funding after year six.

PUBLIC COMMENTS:

- John Johnson, representing Lodi Citizens for Public Facilities, distributed and reviewed three documents (all filed). He commented that Mr. Krueger's presentation used a sales tax growth percentage of 4.71%; however, this is below Lodi's historical average. He believed the per capita cost of \$40 was grossly misleading and countered that the quarter cent sales tax increase would cost the average household only \$50 per year. He pointed out that \$2.4 million is left over to fund maintenance and operations costs. There is flexibility included in the initiative through an advisory committee who may change the order of priority following a public hearing and concurrence of the City Council. For example, if Fire Station 5 was funded through another source, there would be \$4.4 million available for other projects. In response to Mayor Beckman's comment, Mr. Johnson challenged the City to submit an improved measure if the Fire and Facilities Sales Tax Initiative is not acceptable.

Council Member Hansen pointed out that estimates do not factor in inevitable increases to construction costs.

Mr. Johnson acknowledged that the aquatic center would at best break even and if it followed Parks and Recreation Department pool trends it would likely be a money loser. He noted that there would be indirect revenue sources that would come to the City as a result of having an aquatics center and indoor sports facility. The Lodi Chamber of Commerce has endorsed the initiative because of the indirect revenue sources from which it believes the City will benefit. Mr. Johnson recalled that a conceptual plan had been done some years ago to incorporate the indoor sports center at the Grape Bowl. In summary, Mr. Johnson felt that Mr. Krueger's fiscal impact study of the initiative was incomplete and did not mention the benefits the projects would bring to Lodi such as direct and indirect revenue by having the athletic facilities, or that response times would be reduced if there were a fifth Fire Station.

Mayor Pro Tempore Hitchcock expressed concern regarding the long-term maintenance and operation costs the City would be burdened with when the ten-year sales tax increase ends.

Council Member Mounce stated that she was excited about the opportunities that the Fire and Facilities Sales Tax Initiative presents.

Council Member Johnson recalled that preliminary discussion took place regarding a quarter cent sales tax increase to fund public safety. He asked what the relief would be on other aspects of the general fund if that were done and suggested that presenting such an alternative to citizens should be considered.

Council Member Hansen warned against getting into a conflict between Council and the citizens who signed the Fire and Facilities Sales Tax Initiative. He hoped that a compromise or unified approach could be developed.

**C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

**D. ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at 8:37 a.m.

ATTEST:  
Susan J. Blackston, City Clerk

**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, NOVEMBER 15, 2005**

The November 15, 2005, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Susan J. Blackston  
City Clerk

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, NOVEMBER 15, 2005**

**A. CALL TO ORDER / ROLL CALL**

The Special City Council meeting of November 15, 2005, was called to order by Mayor Beckman at 7:01 a.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

**B. REGULAR CALENDAR**

- B-1 “Discussion and potential action regarding the impending exclusive operating contract award to American Medical Response by the County Board of Supervisors for ambulance service throughout San Joaquin County”

Fire Chief Pretz explained that the County Board of Supervisors would be voting today to affirm the recommendation made by the Emergency Medical Services (EMS) Agency concerning the delivery of ambulance service in San Joaquin County. Chief Pretz believed that the Request for Proposal (RFP) used in this process was flawed and asked permission to annunciate his concerns to the Board of Supervisors. He stated that there was no provision for, or recognition of, fire department EMS in the RFP. Chief Pretz expressed his opinion that to ignore the fire department component of delivering emergency medical services was “ludicrous.” He was opposed to going through a private secondary Public Safety Answering Point. Currently, all fire departments in the County use Stockton Fire Department’s dispatch, and Chief Pretz believed that what is now being proposed would fragment a system that works.

Council Member Hansen stated that his goals in this matter were for the cost to be as low as possible for citizens and that the dispatch system enables the fastest response time possible.

In reply to Mayor Pro Tempore Hitchcock, Chief Pretz recalled that a joint venture agreement was entered into last year between the cities of Stockton and Lodi and American Medical Response (AMR) to be a joint bidder in the County RFP. AMR pulled out of the agreement and they are currently in litigation with Stockton over it.

City Manager King reported that Lodi has developed an expensive infrastructure, which costs \$8 million a year and allows a four-minute response time. It is desired that the ambulance system reflect that investment. Mr. King felt that it should not be a separate stand-alone system that does not take advantage of the public investment that has already been made. Further, he stated that a stand-alone process would be redundant and inefficient.

Mayor Beckman pointed out that the County believes the proposal is a more efficient system. He asked if the City could save some cost by reducing the existing infrastructure that would not be utilized under the proposal.

Chief Pretz indicated that no cost would be saved because it is still needed for fire protection. He explained that in other arrangements emergency calls get simultaneously dispatched to the fire department and ambulance. Once the fire department arrives (which is typically first) and begins to administer care, it stops the response time clock for the ambulance (i.e. eight minutes maximum). Chief Pretz stated that this saves the ambulance company and citizens’ money by reducing the private ambulance company’s overhead. He suggested that this savings be split between the fire department, who is first on scene, and the ambulance company.

Mayor Pro Tempore Hitchcock asked why AMR would start its own dispatch system, to which Chief Pretz surmised that AMR believed that it could do it better. Further, he explained that there has been a long history of animosity between the County and the city of Stockton and he suggested that this could be a way to "get even."

PUBLIC COMMENTS:

- Brad White of American Medical Response distributed and reviewed a packet of materials (filed). In a letter dated November 15, AMR Chief Executive Officer, Louis Meyer, responded to a November 10 memorandum by Chief Pretz. In it, Mr. Meyer mentioned that in early August 2005 he had advised Chief Pretz of the impasse in negotiations with the city of Stockton. Mr. Meyer wrote to Chief Pretz on August 16 that, *"We do not believe our impasse with Stockton constitutes an impediment to finalizing a proposed arrangement with Lodi that meets the foregoing criteria, and would be pleased to proceed with further discussions toward that goal."* Mr. White noted that the County Health Services Director has reviewed all protests to the RFP and determined them to be without merit.

City Attorney Schwabauer commented that AMR stated that Lodi pulled out of the joint venture agreement; however, it did not. Several negotiations took place between the City Attorney's Office and AMR's counsel, in which AMR proposed changing the agreement, but the City declined to do so.

Mr. White reported that Chief Pretz sent a letter to AMR dated September 7, in which he wrote, *"We will not commit to any provider until the RFP process has been concluded. At the conclusion of the bid process, however, we are looking forward to discussing a future partnership. It is our hope that such a partnership will be included in the final contract with the San Joaquin County EMS Agency."* Mr. White mentioned that Chief Pretz also had referenced monies that Priority One offered in its proposal to pay the Lodi Fire Department for its first response services. Mr. White reported that Priority One's proposal would have required the citizens of Lodi to pay an additional \$349.88 each time they used an ambulance in order to pass those dollars back to the City. In reference to the issue of dispatching, Mr. White stated that it is Lodi's choice whether to stay with Stockton Fire Department's dispatch, use the Lodi Police Department for dispatch, or use AMR's.

In answer to questions posed by Council Member Hansen, Mr. White explained that the award of the contract precluded ambulance fees being raised in order to provide funding for first responder engines. An informal agreement has been made between AMR and the city of Tracy to work on this issue after the award of the contract.

Council Member Hansen asked whether the agreement reached between the city of Tracy and AMR would be available to Lodi, to which Mr. White stated he had no doubt that a "win-win" conclusion could be reached.

In reply to Council Member Johnson, Mr. White confirmed that AMR's Option B proposal would reduce the cost of ambulance dispatch to Lodi by \$80,000. Mr. White reported that the tuition for paramedic training is \$9,000 per student.

Mayor Pro Tempore Hitchcock asked Mr. White why AMR did not opt to use Stockton's dispatch system.

Mr. White replied that the cost of the Stockton Fire Department to dispatch a call is \$25.52 and AMR's cost is \$19.50. In addition, he explained that due to the animosity between Stockton and AMR it was not deemed advantageous to have Stockton handle AMR's dispatch. He noted that ambulances are responsible for significant financial penalties if call responses are not made appropriately and the dispatch component can control the response time. Mr. White reported that when Stockton dispatches AMR and the Lodi Fire Department, both are charged \$25.52. AMR's proposal would split one charge between two entities, so that Lodi would be charged only \$9.75 – if it chose to use AMR's dispatch center.

- Michael Parker of Priority One Ambulance read sections from the joint venture agreement between Lodi, Stockton, and AMR. He noted that it is currently in federal court and Mr. Parker believed Lodi was a party to the action. He alleged that, because of the agreement, AMR was precluded from bidding on the County's RFP. Mr. Parker reviewed portions of Priority One's proposal to the County. He claimed that AMR's "Passport" dispatching system was not "project 25" approved and has never been used in a 911 environment. He stated that a similar situation occurred in Contra Costa County and there were additional charges added by the ambulance company that were not disclosed in the original RFP. He gave examples of the added charges such as for supply costs and wait time.

In answer to Council Member Hansen, City Attorney Schwabauer confirmed that the joint venture agreement did state that a joint bid would be submitted, though it was not. He advised Council that whether it wished to raise this point with the County Board of Supervisors was a political decision, rather than a legal one. He stated that the City of Lodi is not an actual party to the action in federal court; however, it may be considered a necessary or indispensable party.

In reply to Mayor Beckman, Mr. Schwabauer acknowledged that the Stockton Fire Department and Rural Metro submitted an RFP to the County.

Council Member Mounce wanted issues raised by AMR today (in the information it submitted to Council) to be referenced in the RFP. She supported Chief Pretz' request to speak to the Board of Supervisors.

Mayor Pro Tempore Hitchcock also expressed support for Chief Pretz' request and agreed with the concerns he had outlined. She felt that the RFP process should begin anew.

Council Member Hansen concurred that Chief Pretz be allowed to express concerns about the process and that the fire departments response component was not recognized.

Council Member Johnson stated that every objection raised has been satisfactorily answered by County staff. He was opposed to any further attempts of obstruction and felt that the process should be allowed to proceed.

Mayor Beckman expressed agreement with Mr. Johnson's statements.

#### MOTION:

Mayor Pro Tempore Hitchcock made a motion, Mounce second, that authorization be given to Chief Pretz to attend the County Board of Supervisors meeting and speak on behalf of the City Council and Lodi to express concern regarding the flawed RFP process and changing to a private dispatch provider that might impede Lodi's EMS and response time.

#### DISCUSSION:

Mayor Beckman did not believe that the RFP process was flawed.

Council Member Hansen suggested that the motion be amended to direct Chief Pretz to express the concerns of the Council to the process that would drastically change the cooperative working environment between fire and ambulance services.

*(NOTE: No response was made to the suggested amendment to the motion.)*

Council Member Johnson reiterated that Lodi has an option to stay with Stockton Fire Department's dispatch if it chose to. He noted that Chief Pretz has already conveyed his dissatisfaction with the RFP process through various communications. He was opposed to Chief Pretz' request to voice his concerns again at today's Board of Supervisors meeting.

Chief Pretz clarified to Council that he wished to express to the County Board of Supervisors that the RFP process was flawed and that the fire service should not have been left out of the pre-hospital care component.

Mayor Pro Tempore Hitchcock reiterated her support for Chief Pretz' request and agreed with his statements. She clarified that her motion was to allow Chief Pretz to speak before the Board of Supervisors today and express the concerns he iterated this morning.

VOTE:

The above motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, and Mounce

Noes: Council Members – Johnson and Mayor Beckman

Absent: Council Members – None

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:55 a.m.

ATTEST:

Susan J. Blackston  
City Clerk

**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, NOVEMBER 29, 2005**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, November 29, 2005, commencing at 7:01 a.m.

**A. ROLL CALL**

Present: Council Members – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

**B. TOPIC(S)**

**B-1 "Update on City Manager's Work Plan"**

City Manager King reviewed portions of his Work Plan (filed), highlighting the following: He reported that in 1998 recommendations were made by consultants for improving the downtown area which included a state of the art movie theater, wine related establishments, and a hotel. He noted that Lodi's Transient Occupancy Tax (TOT) revenue is only \$300,000 annually. The Hampton Inn is expected to begin construction in spring of 2006 on a 100-room facility. Mr. King stated that he has contracted with PKF Consulting to evaluate the feasibility of a downtown hotel and expects the results by February 2006.

In reply to Council Member Johnson, Mr. King explained that a 3% assessment based on the gross short-term room rental revenue of all hotels is levied as part of the Lodi Tourism Business Improvement District. In addition, the City has a 6% TOT. Mr. King recommended that an effort be made to increase the number of lodging opportunities in the City before attempting to increase the TOT.

Mayor Pro Tempore Hitchcock asked whether a downtown hotel could become a sole redevelopment project.

Mr. King believed that a parcel specific redevelopment project could be put into place. He mentioned that the Federal government allows for an economic development set aside through Community Development Block Grant programs. Community Improvement Manager Joseph Wood has been working with the County of San Joaquin regarding this matter and a recommendation is anticipated to be brought to Council in February.

In reference to retail space at the parking garage facility, Council Member Hansen felt that the City should be more aggressive in getting the space leased through rent reductions or other incentives.

Mr. King reported that a meeting is scheduled next week with Hertz Brothers who have been buying and consolidating Sacramento Street properties. A development proposal for mixed use of residential and retail is expected to be submitted from this company. Staff also hopes to reconstitute a downtown strategic group. Staff has relayed the message to brokers representing the City that, if a tenant with financial strength is found who can generate sales tax, the rental rate for retail space at the parking facility could be negotiated later.

In answer to Mayor Beckman, Mr. King suggested that the Lodi Conference and Visitors Bureau consider Sacramento Street for its new location.



In reply to Council Member Johnson, Mr. King reported that discussions have taken place with Jessie's Grove Winery and Michael-David Vineyards about a downtown tasting room in exchange for wastewater treatment. The wineries believe there would be more financial strength and flexibility by joining together in a tasting room.

Council Member Johnson, Mayor Pro Tempore Hitchcock, and Mayor Beckman preferred that several wine tasting establishments be situated in the downtown area to increase foot traffic.

In reference to the general plan update, Mr. King stated that the topic of various approach options would be scheduled for the December 21 Council meeting. He pointed out that the greatest variable in both cost and time is the level of community involvement. At the January 4, 2006, Council meeting, staff will seek authority to solicit for consultants and will bring forward a report from the Greenbelt Task Force. Mr. King estimated that the general plan process would take two years and cost \$1 million.

Mr. King reported that the County currently pays \$30,000 per year for Lodi Superior Court L-1 space and of that the City pays utilities and janitorial service. The new Police building has 7,000 square feet that had been reserved for court space. The space has been vacant for two years. Meetings have taken place with the County regarding this matter on September 28, October 26, and November 17. A fourth meeting has been scheduled for December 8. Tenant improvements are expected to cost \$2 million. Mr. King explained that if a lease were executed between the City and County, it would then be transferred to the State.

Mr. King recalled that four projects were previously recommended to be funded with bond proceeds offered by Electric Utility. One of the projects included \$1.6 million toward the Electric Utility Corporation Yard; however, staff now recommends that this money be redirected toward the Killelea Substation project. Mr. King noted that the Westside Substation project was also on the list and is of a higher priority than the Corporation Yard.

Council Member Hansen was in favor of the recommendation, as it would redirect the funds toward delivery of electricity and its reliability and efficiency.

Mayor Pro Tempore Hitchcock stated that she could support the recommendation if the City were to invest in a capital project that would produce a return on investment, which ultimately would provide a revenue source that would build the Electric Utility Corporation Yard. She asked what it would cost the City to invest in the proposed project at White Slough.

Council Member Hansen replied that it would cost \$233,000 for Phase 2-A and \$1 million for Phase 2-B, to which Mr. King explained these costs are associated only with feasibility buy-ins.

Mayor Pro Tempore Hitchcock asked to be provided with more information on who determines the percentages.

Council Member Mounce noted that Fire Station #2 is still listed on the Work Plan under "Public Facilities Planning." She recalled asking for information from the Fire Department that would substantiate the relocation of Fire Station #2. It was her understanding that the response time would be compromised if Fire Station #2 were relocated to an area east of Highway 99 as proposed.

Council Member Johnson also expressed an interest in receiving the information and further stated that he wished to have data from *both* the Fire Union and Fire Administration.

In reference to the Council Handbook item, Mr. King stated that the City Clerk's Office has completed the first draft, which is now in review and will be brought to Council in February 2006.

Mr. King commented that a request has not yet been received from Frontier Community Builders for a development agreement; however, the City has informed them that, if it did request an agreement, they would be asked to contribute funding toward DeBenedetti Park.

In reply to Mayor Pro Tempore Hitchcock, Public Works Director Prima reported that 95% of DeBenedetti Park was supposed to be funded through impact fees. Ms. Hitchcock asked Mr. Prima to provide Council with the projected amount that actually would be collected for the park from impact fees.

Mr. King explained that money has been borrowed from the parks portion of the impact fees for other projects with the intention that it would be paid back in the future.

Mayor Beckman also expressed an interest in receiving data on the borrowing that has been done from the park impact fees and in addition he asked for general plan standards regarding the amount of park acreage per developed acreage.

Council Member Johnson reiterated his previous suggestion that all capital projects be reduced 10% to 15%.

Mr. King reported that Council representatives would be addressing the Delta College Board of Trustees on December 6 regarding the possibility of a satellite campus being located in Lodi. In reference to the San Joaquin Council of Governments (SJCOC) One Voice event, staff proposes to include a request for a firing range and driving course at Delta College, if it were decided to locate the satellite campus in Lodi.

Council Member Hansen emphasized the need to select a tier one transportation project to submit for the SJCOC One Voice event.

Mr. King commented on the following accomplishments made in 2005:

- Updated purchasing system;
- PCE/TCE cleanup plan and implementation;
- New animal adoption center in modular unit at the Animal Shelter; and
- Adopted Americans with Disabilities Act Transition Plan.

**C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

**D. ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at 8:18 a.m.

ATTEST:

Susan J. Blackston  
City Clerk

**CITY OF LODI  
INFORMAL INFORMATIONAL MEETING  
"SHIRTSLEEVE" SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, DECEMBER 6, 2005**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, December 6, 2005, commencing at 7:05 a.m.

**A. ROLL CALL**

Present: Council Members – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

**B. TOPIC(S)**

**B-1 "Review conceptual Water Meter Retrofit Program"**

Public Works Director Prima reported that 16 water meters have been installed on residential units in the community for the purpose of gathering data on variations of water usage. He explained that services prior to 1979 would need to be modified to accept a meter, services installed from 1979 to 1992 are ready to accept a meter, and homes built after 1992 have already paid for a water meter. Mr. Prima displayed a water meter and confirmed that they would be read electronically and would last from 10 to 15 years. Replacing meters and batteries would become a part of an ongoing program. Currently, the City is out to bid for a contractor to install a pilot group of 400 meters. The City would not begin charging metered rates until next fiscal year. Staff recommends that modifying services to accept a meter would be a utility cost. It is estimated that the program could be accomplished over a 20-year period without raising rates.

In reply to Mayor Pro Tempore Hitchcock, Mr. Prima stated that water rates would need to be increased 30% to 40% for the program to be completed in three years.

Council Member Hansen felt that 20 years was too long and suggested that the program be completed by 2012 at the latest. He believed that meters would also help to conserve water, which is greatly needed due to the declining water table. He asked staff to bring back various alternatives to expedite the program.

Council Member Johnson suggested that one alternative could be that everyone pays for their own hook up.

Mayor Beckman recommended that meters be installed as soon as possible on the 5,700 homes that have meter boxes and begin with those who have already paid for the meters.

Mr. Prima noted that if a meter is in place the State requires that commodity rates be charged by 2010.

In response to Council Member Mounce, Mr. Prima confirmed that the water main replacement project includes the cost for modifications to accept water meters. If property owners are charged for the modifications it would be a cost savings to the replacement program.

Council Member Mounce pointed out that the highest cost would be to those who live in the older sections of Lodi, many of which have limited incomes. She felt it was unfair to penalize certain homeowners because of the City's aging infrastructure.

Mr. Prima noted that one of the key components of the water main replacement program is to relocate water lines from rear yards to the street. If retrofitting for water meters is done on an expedited basis, there will be areas that still have a rear yard service and the meter would have to be installed in that location. If the two programs were more closely linked there would be a cost savings in the long run by not installing meters in rear yards and then later having to relocate it when the main is moved to the street.

Mayor Pro Tempore Hitchcock asked to be provided with data regarding the percentage of homeowners and renters on the east side.

PUBLIC COMMENTS:

- Eileen St. Yves recalled this issue being discussed with Council 20 years ago. She believed that water meters would conserve water and was in favor of expediting the program. She noted that it has been the policy of the City to collect water and sewer fees on vacant housing units. She expressed support for placing sub-meters on apartments for water used in landscaping and pools.

**C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS**

None.

**D. ADJOURNMENT**

No action was taken by the City Council. The meeting was adjourned at 8:02 a.m.

ATTEST:

Susan J. Blackston  
City Clerk

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, DECEMBER 6, 2005**

A. CALL TO ORDER / ROLL CALL

The Special City Council meeting of December 6, 2005, was called to order by Mayor Beckman at 7:02 a.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

B. REGULAR CALENDAR

B-1 “Designation of Council representatives to serve on the interview panel for the Electric Utility Department Director selection”

City Manager King reported that applications have been received for the position of Electric Utility Director. Two interview panels are anticipated, one consisting of professionals and one with community representatives and two Council Members. He estimated that the interview process would take a full day and panel members would be asked to sign confidentiality agreements. The interviews would take place on either December 16, January 6, or January 13.

MOTION / VOTE:

The City Council, on motion of Mayor Beckman, Johnson second, unanimously designated Council Members Hansen and Mounce to serve on the interview panel for the Electric Utility Director selection.

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 7:04 a.m.

ATTEST:

Susan J. Blackston  
City Clerk



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Approving Specifications for Total Station Surveying Equipment with Global Positioning Satellite (GPS) Capability and Authorizing the City Manager to Approve the Purchase from Haselbach Surveying Instruments as the Sole Supplier (Not to Exceed \$64,000)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution approving specifications for total station surveying equipment with global positioning satellite (GPS) capability and authorizing the City Manager to approve the purchase from Haselbach Surveying Instruments as the sole supplier for an amount not to exceed \$64,000. Haselbach Surveying Instruments is the sole distributor of Leica Geosystems Surveying Grade Products in the Northern California region and has provided the City with excellent customer service and support for over 20 years.

**BACKGROUND INFORMATION:** This request is to fund the replacement of the City's 20-year old survey instrument (total station) with a Leica 1200 Series Total Station instrument with GPS capabilities. The new equipment is needed due to the suddenly diminished availability of replacement parts and the limited availability of maintenance services for the existing equipment.

City staff conducted a thorough research of available total station survey instruments, all with sub-centimeter GPS capabilities. In addition, field trials were conducted for three of the systems. The Leica 1200 Series equipment was selected for the following reasons: 1) performance reliability in a variety of field conditions; 2) user-friendly data transfer to/from the office; and 3) proven superior post-purchase technical support, since the equipment currently in use by City surveyors is also made by Leica. Other systems tested included Topcon and Trimble.

The primary objective of the purchase is to replace the department's obsolete survey equipment and take steps to establish a City-wide horizontal and vertical survey control network using the GPS system. Using GPS, this objective can be performed and updated in a fraction of the time it would take using conventional survey methods and equipment. A secondary objective is to improve efficiency in the collection and distribution of infrastructure mapping data to all departments within the City.

**FISCAL IMPACT:** Annual costs of \$3,475 are required to cover software upgrades, technical training/support services, data modem and base station subscription and will be included in future operating budgets.

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

Adopt Resolution Approving Specifications for Total Station Surveying Equipment with Global Positioning Satellite (GPS) Capability and Authorizing the City Manager to Approve the Purchase from Haselbach Surveying Instruments as the Sole Supplier (Not to Exceed \$64,000)  
December 21, 2005  
Page 2

<b>FUNDING AVAILABLE:</b>	IMF - General City Facilities (Public Works Equipment)	\$22,000
	Infrastructure Replacement Program (Water)	\$21,000
	Infrastructure Replacement Program (Wastewater)	\$21,000

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Ruby Paiste, Interim Finance Director

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Richard C. Prima, Jr.  
Public Works Director

Prepared by Wally Sandelin, City Engineer

RCP/FWS/pmf

RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING  
SPECIFICATIONS FOR TOTAL STATION SURVEYING EQUIPMENT WITH  
GLOBAL POSITIONING SATELLITE (GPS) CAPABILITY AND  
AUTHORIZING THE CITY MANAGER TO APPROVE THE PURCHASE  
FROM HASELBACH SURVEYING INSTRUMENTS AS THE SOLE  
SUPPLIER

=====

WHEREAS, due to the diminished availability of replacement parts and the limited availability of maintenance service for the City's 20-year old survey instrument (total station), staff recommends replacement of the existing equipment with a Leica 1200 Series Total Station instrument with GPS capabilities; and

WHEREAS, Lodi Municipal Code Section 3.20.070 authorizes dispensing with bids for purchases of supplies, services or equipment when it is in the best interests of the City to do so; and

WHEREAS, staff further recommends that the City Council approve the Specifications for Total Station Surveying Equipment with Global Positioning Satellite (GPS), and authorize the City Manager to approve the purchase from Haselbach Surveying Instruments as the sole-supplier, in an amount not to exceed \$64,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Specifications for Total Station Surveying equipment with Global Positioning Satellite (GPS) Capability; and

BE IT FURTHER RESOLVED, that the City Council further authorizes the City Manager to approve the purchase of a Leica 1200 Series Total Station instrument with GPS capabilities from Haselbach Surveying Instruments as the sole-supplier, in an amount not to exceed \$64,000.

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS -

NOES: COUNCIL MEMBERS -

ABSENT: COUNCIL MEMBERS -

ABSTAIN: COUNCIL MEMBERS -

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_





# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Authorizing City Manager to Negotiate and Purchase Five Type 2 Medium Bus (Dial-A-Ride) Transit Vehicles Off of the State Contract, Authorizing Conversion of the Five Vehicles to Compressed Natural Gas (CNG) and Appropriating Funds (\$425,000)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution authorizing the City Manager to negotiate and purchase five Type 2 Medium Bus transit vehicles off of the State contract, authorizing conversion of the five vehicles to compressed natural gas (CNG), and appropriating funds as shown below.

**BACKGROUND INFORMATION:** The City currently operates numerous CNG vehicles and a fueling station. The City's Transit Division currently operates a fleet of 25 transit vehicles. Of those 25 vehicles, 20 operate on CNG. The purchase of the five new vehicles would allow the City to reach its commitment to the Air Resources

Board of a 100% CNG fleet. The City received grant funding to replace five gasoline transit vehicles in 2005/06. The five new vehicles will replace five older gasoline vehicles in our fleet which will be sold out of state to meet the requirements of the grant funding. The five vehicles proposed are standard Dial-A-Ride style transit vehicles. Staff anticipates these vehicles will also be utilized in off hours for Fixed Route whenever possible.

Staff is recommending that the five new gasoline vehicles be procured off of the State contract due to the limited availability of CNG vehicles and the ease of procurement provided by the State contract. After the purchase of the five gasoline vehicles, staff is recommending the City Council authorize the City Manager to negotiate a change order with Creative Bus Sales (the State contract holder) to convert the vehicles to CNG. Those five vehicles will then be converted to CNG prior to the City taking possession to comply with the grant funding requirements. The Transportation and Fleet and Facilities Managers are meeting with staff from the maintenance shop and transit operations to select the options available on the vehicles.

The City has received a CMAQ grant for five vehicles in 2005/06 from the San Joaquin Council of Governments, as well as Measure K funding for a portion of these vehicles. While it was anticipated that the grants would cover the entire cost, due to the limited availability of small CNG vehicles and the need to convert the vehicles to CNG, Transportation Development Act (TDA) funds may need to be utilized to fund the remainder of the purchase price. Grant funding will be utilized first with TDA funds used to cover any remaining balance, not to exceed \$10,000 per vehicle.

**FISCAL IMPACT:** The cost of five vehicles has been included in the budget for the Transit system at an estimated cost of \$400,000. Failure to award the agreement could result in loss of the grant funding, which could result in higher maintenance costs as we would be forced to continue to maintain the old buses.

**FUNDING AVAILABLE:** The bus purchases will be utilizing:

Transportation Development Act/Fares	\$ 50,000
Congestion Mitigation/Air Quality Funds	\$300,000
Measure K Transit Capital Funds	\$ 75,000

\_\_\_\_\_  
Richard C. Prima, Jr.  
Public Works Director

Prepared by Tiffani M. Fink, Transportation Manager  
cc: Fleet and Facilities Manager

\_\_\_\_\_  
Transportation Manager

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY  
MANAGER TO NEGOTIATE AND PURCHASE FIVE TYPE 2 MEDIUM BUS  
TRANSIT VEHICLES THROUGH THE STATE CONTRACT, AND AUTHORIZING  
CONVERSION OF THE VEHICLES TO COMPRESSED NATURAL GAS (CNG),  
AND FURTHER APPROPRIATING FUNDS

=====

WHEREAS, Lodi Municipal Code Section 3.20.070 authorizes dispensing with bids for purchases of supplies, services or equipment when it is in the best interests of the City to do so; and

WHEREAS, the City of Lodi currently operates numerous CNG vehicles and a fueling station, and the City Transit Division currently operates a fleet of 25 transit vehicles, of which, 20 operate on CNG; and

WHEREAS, the purchase of five new vehicles would allow the City to reach its commitment to the Air Resources Board of a 100% CNG fleet; and

WHEREAS, the City received grant funding to replace five gasoline transit vehicles in 2005-06; and

WHEREAS, staff recommends purchasing five new gasoline vehicles be procured through the State of California contract due to the limited availability of CNG vehicles and the ease of procurement provided by the State contract; and

WHEREAS, staff further recommends that the City Council authorize the City Manager to negotiate a change order with Creative Bus Sales to convert the vehicles to CNG.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to negotiate and purchase five Type 2 Medium Bus (Dial-A-Ride) Transit Vehicles through the State of California contract; and

BE IT FURTHER RESOLVED, that the City Council hereby authorizes the City Manager to negotiate a change order with Creative Bus Sales to convert the vehicles to CNG prior to the City taking possession to comply with the grant funding requirements; and

BE IT FURTHER RESOLVED, that funds be appropriated as follows:

Transportation Development Act/Fares	\$ 50,000
Congestion Mitigation/Air Quality Funds	\$300,000
Measure K Transit Capital Funds	\$ 75,000

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS -

NOES: COUNCIL MEMBERS -

ABSENT: COUNCIL MEMBERS -

ABSTAIN: COUNCIL MEMBERS -

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



# CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Accepting Improvements at 2650 West Lodi Avenue  
**MEETING DATE:** December 21, 2005  
**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution accepting the development improvements for 2650 West Lodi Avenue.

**BACKGROUND INFORMATION:** Improvements at 2650 West Lodi Avenue have been completed in substantial conformance with the requirements of the Improvement Agreement between the City of Lodi and Kristmont West, Inc., as approved by the City Council on June 2, 2004, and as shown on Drawings No. 003D047-01 through 003D047-07.

The project site is west of Lower Sacramento Road and south of Lodi Avenue, in the area known as the Raley's Shopping Center. The improvements included the installation of a master plan water main in Lodi Avenue, as well as street pavement improvements in Lodi Avenue. The developer is entitled to reimbursement by the City for the installation of oversize water main and excess width street pavement improvements in Lodi Avenue in conformance with LMC 15.64 Development Impact Mitigation Fees and 16.40 Reimbursements for Construction. All reimbursement will be made when the improvements are complete and accepted by the City. Appropriations for the reimbursements were approved by Council on June 2, 2004, as part of the approval of the improvement agreement for this project.

**FISCAL IMPACT:** There will be a slight increase in long term maintenance costs which will be partially offset by increased utility revenue.

<b>FUNDING:</b>	IMF – Local Street Improvements	(327)	\$ 1,441.00
	IMF – Water Improvements	(182)	\$ 6,781.50
	<b>TOTAL</b>		<b>\$ 8,222.50</b>

\_\_\_\_\_  
 Ruby Paiste, Interim Finance Director

\_\_\_\_\_  
 Richard C. Prima, Jr.  
 Public Works Director

Prepared by Wesley Fujitani, Senior Civil Engineer  
 RCP/WKF/pmf

cc: City Attorney  
 Senior Civil Engineer - Development Services  
 Senior Traffic Engineer  
 Street Superintendent  
 Senior Engineering Technician  
 Chief Building Inspector

**APPROVED:** \_\_\_\_\_  
 Blair King, City Manager

When Recorded, Please Return to:  
Lodi City Clerk  
P.O. Box 3006  
Lodi, CA 95241-1910

RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL  
ACCEPTING THE IMPROVEMENTS AT 2650  
WEST LODI AVENUE

=====

The City Council of the City of Lodi finds:

1. That all requirements of the Improvement Agreement between the City of Lodi and Kristmont West, Inc., for Public Improvements at 2650 West Lodi Avenue have been substantially complied with. The improvements are shown on Drawing Nos. 003D047-01 through 003D047-07 on file in the Public Works Department and as specifically set forth in the plans and specifications approved by the City Council on June 2, 2004; and

2. That the developers are entitled to reimbursement by the City for the improvements associated with the installation of an oversized water main and excess width street pavement improvements in Lodi, in conformance with Lodi Municipal Code §15.64 Development Impact Mitigation Fees and §16.40 Reimbursements for Construction; and

3. That no new public streets were dedicated as part of this project.

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt Resolution Approving the Disadvantaged Business Enterprise Program and Established Overall Annual Disadvantaged Business Enterprise (DBE) Goal of 6% for FTA-Assisted Projects for Federal Fiscal Year 2005/06

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council adopt a resolution approving the Disadvantaged Business Enterprise Program and Established Overall Annual DBE Goal of 6% for Federal Fiscal Year (FFY) 2005/06 for Federal Transit Administration (FTA)-assisted projects.

**BACKGROUND INFORMATION:** The City is required to develop and submit an Overall Annual Goal for DBE participation on U.S. Department of Transportation (DOT)-assisted contracts, as a condition of federal financial assistance, pursuant to revised regulations set forth under Title 49 CFR Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Programs*. In accordance with these DBE regulations, the City, with help from its consultant, Padilla & Associates, has established an Overall Annual DBE Goal for Federal Fiscal Year 2005/06 for FTA-assisted projects, to ensure full compliance with relevant regulatory requirements.

The Established Overall Annual DBE Goal of 6% for FFY 2005/06 DOT-assisted contracts addresses critical components and fulfills specific requirements for narrow tailoring (under a court decision, narrowly tailored requirements provide for more flexibility in establishing a goal) in accordance with Title 49 CFR Part 26. The City's Established Overall Annual DBE Goal was developed utilizing the federal prescribed two-step goal setting methodology. Step I included establishing a Base Figure utilizing quantifiable evidence to determine the relative availability of DBEs within specified industries identified as a part of the City's DOT-assisted contracting projects anticipated to be awarded by the City of Lodi within FFY 2005/06. The City utilized the Caltrans Unified Certified Program (UCP) on-line database of Certified DBE Firms and the 2002 U.S. Census Bureau County Business Patterns (CBP) database to complete this step. Upon establishing the Base Figure, the City surveyed and assessed other known relevant evidence to determine what additional adjustments, if any, were needed to narrowly tailor the Base Figure to the City's market area. No additional adjustments were needed for this narrow tailoring. Factors considered in the adjustment of the Base Figure included the historical and current capacity of DBEs measured by actual attainments on similar projects. Following Council's approval of the Established Overall Annual Goal for FFY 2005/06, staff will submit to Caltrans and FTA for their final review.

The Established Overall Annual Goal for Federal Fiscal Year 2005/06 will be updated annually to maintain relevancy to local market conditions and factors impacting DBE availability.

At the October 5, 2005, meeting the Established Overall Annual DBE goal for FFY 2005/06 was approved and adopted by Council. After the goal was adopted, Caltrans notified the City that its program

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

would need to be updated and the public participation portion would need to be repeated. The public participation portion set forth under Title 49 CFR Part 26 requires that the notice of the proposed goal and its rationale be published informing the public that both are available for inspection for thirty days and comments will be accepted for forty-five days after the date of the notice. The notice is required to be published in general circulations media, available minority-focused media and trade association publications. The required forty-five day waiting period for the public participation process will expire on December 24, 2005. Should any comments be received regarding the goal that may require us to change or update any of the information then staff will need to return for Council approval again.

**FISCAL IMPACT:** City Council approval and adoption of the Established Overall Annual DBE Goal for FFY 2005/06 is required to ensure compliance with Department of Transportation's federal funding requirements, provisions and financial responsibilities. Failure to do so will directly jeopardize the City of Lodi's federal financial assistance.

**FUNDING AVAILABLE:** None required.

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Richard C. Prima, Jr.  
Public Works Director

Prepared by Rebecca Areida, Management Analyst  
RCP/RA/pmf  
Attachments  
cc: Tiffani Fink, Transportation Manager



# CITY OF LODI

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## Disadvantaged Business Enterprise Program

*Submitted in fulfillment of :*

*Section 1101 of the Transportation Equity Act for the 21st Century  
49 Code of Federal Regulations Part 26  
and  
Caltrans Local Assistance Procedures Manual*

# CITY OF LODI

## *DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM*

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<b>CITY OF LODI</b>
<b>DBE PROGRAM</b>

## **I. Definition of Terms**

The terms used in this Program have the meanings defined in Title 49 CFR §26.5.

## **II. Objectives/ Policy Statement (§§26.1, 26.23)**

The City of Lodi has established a Disadvantaged Business Enterprise (DBE) Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26: “*Participation by Disadvantaged Business Enterprise Regulations in Department of Transportation Financial Assistance Programs*”. The City of Lodi receives Federal financial assistance from the DOT, and as a condition of receiving this assistance, the City of Lodi will sign an assurance that it will comply with 49 CFR Part 26.

It is the policy of the City of Lodi to ensure that DBE’s, as defined in CFR Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also our policy:

- To ensure nondiscrimination in the award and administration of DOT-assisted contracts;
- To ensure a level playing field on which DBE’s can compete fairly for DOT-assisted contracts;
- To ensure that the DBE program is narrowly tailored in accordance with applicable laws;
- To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBE’s;
- To help remove barriers impacting the participation of DBE’s in DOT-assisted contracts; and
- To assist in the development of DBE firms to enable them to compete successfully in the market place outside of the DBE program.

Ms. Rebecca Areida, Management Analyst in the Public Works Department, is the DBE Liaison Officer for the City of Lodi. In this capacity, Ms. Areida is responsible for implementing all aspects of the DBE program. Implementation of the DBE Program is accorded the same priority as compliance with all other legal obligations incurred by the City of Lodi in its financial assistance agreements with the California Department of Transportation (Caltrans).

The City of Lodi has disseminated this policy statement to the City of Lodi City Council and all components of our organization. We have distributed this statement to DBE and non-DBE business communities that perform work for us on DOT-assisted contracts.

### **III. Nondiscrimination (§ 26.7)**

The City of Lodi will not exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by Title 49 CFR Part 26 on the basis of race, color, sex, or national origin.

In administering its DBE program, the City of Lodi will not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE program with respect to individuals of a particular race, color, sex, or national origin.

### **IV. DBE Program Updates (§ 26.21)**

The City of Lodi will continue to carry out this Program until we have established a new goal setting methodology or until significant changes to the DBE program are adopted. The City of Lodi will provide to Caltrans a proposed overall annual goal and goal setting methodology and other program updates by June 1 of every year.

### **V. Quotas (§ 26.43)**

The City of Lodi will not use quotas or set-asides in any way in the administration of this DBE program.

### **VI. DBE Liaison Officer (DBELO) (§ 26.45)**

The City of Lodi has designated the following individual as the DBE Liaison Officer:

Ms. Rebecca Areida, Management Analyst  
City of Lodi  
Public Works Department  
P.O. Box 3006  
Lodi, CA 95241  
Telephone: (209) 333-6800 ext. 2658  
E-Mail: [rareida@lodi.gov](mailto:rareida@lodi.gov)

In this capacity, Ms. Areida is responsible for implementing all aspects of the DBE Program and ensuring that the City of Lodi complies with all provisions of Title 49 CFR Part 26: "*Participation by Disadvantaged Business Enterprise Regulations in Department of Transportation Financial Assistance Programs*". This is available on the Internet at [osbuweb.dot.gov/main.cfm](http://osbuweb.dot.gov/main.cfm). Ms. Areida has direct, independent access to the City Manager concerning DBE program matters. The DBELO has support personnel who devote a portion of their time to the Program. An organizational chart displaying the DBELO's position in the organization is found in Appendix B to this program.

The DBE Liaison Officer is responsible for developing, implementing and monitoring the DBE Program, in coordination with other appropriate officials. Duties and responsibilities include the following:

1. Gathers and reports statistical data and other data as required.
2. Reviews third party contracts and purchase requisitions for compliance with this program.
3. Works with all departments to set overall annual goals for DBE participation in DOT-assisted contracts.
4. Ensures that bid notices and requests for proposals are available to DBE's in a timely manner.
5. Identifies contracts and procurements to ensure DBE goals are included in solicitations when warranted (both race-neutral methods and contract specific goals) and monitors results.
6. Analyzes the City of Lodi's progress toward goal attainment and identifies ways to improve progress.
7. Participates in pre-bid meetings.
8. Advises the CEO/governing body on DBE matters and achievement.
9. Determines contractor compliance with good faith efforts.
10. Provides DBE's with information and assistance in preparing bids, obtaining bonding and insurance.
11. Plans and participates in DBE training seminars.
12. Provides outreach to DBE's and community organizations to advise them of DOT contracting opportunities.
13. Develops and maintains a Bidders List of DBE and non-DBE firms bidding on DOT-assisted projects.

## **VII. Federal Financial Assistance Program Assurance (§ 26.13)**

The City of Lodi will sign the following assurance, applicable to all DOT-assisted contracts and their administration as part of the program supplement agreement for each project:

The City of Lodi shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE Program or the requirements of 49 CFR Part 26. The City of Lodi shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The City of Lodi's DBE Program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this Program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the City of Lodi of its failure to carry out its approved Program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/ or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

## **VIII. DBE Financial Institutions**

It is the policy of the City of Lodi to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contracts to make use of these institutions.

Information on the availability of such institutions can be obtained from the DBE Liaison Officer. The Caltrans Disadvantaged Business Enterprise Program may offer assistance to the DBE Liaison Officer.

## **IX. DBE Directory (§ 26.31)**

The City of Lodi will refer interested persons to the DBE directory from the Caltrans Disadvantaged Business Enterprise Program website at [www.dot.ca.gov/hq/bep](http://www.dot.ca.gov/hq/bep). Free internet access is available at the City of Lodi Public Library, 201 W. Locust Street, Lodi.

## **X. Overconcentration (§ 26.33)**

The City of Lodi has not identified any types of work in DOT-assisted contracts that have an overconcentration of DBE participation. If in the future, the City of Lodi identifies the need to address overconcentration, measures for addressing overconcentration will be submitted to the DLAE for approval.

## **XI. Business Development Program (§ 26.35)**

The City of Lodi does not have a business development or Mentor-Protégé Program. If the City of Lodi identifies the need for such a program in the future, the rationale for adopting such a program and a comprehensive description of it will be submitted to the DLAE for approval.

## **XII. Required Contract Clauses (§§ 26.13, 26.29)**

### **Contract Assurance**

The City of Lodi ensures that the following clause is placed in every-DOT-assisted contract and subcontract:

*“The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as recipient deems appropriate.”*

## **Prompt Payment**

The City of Lodi ensures that the following clauses or equivalent will be included in each DOT-assisted prime contract:

### **Prompt Payment of Funds Withheld to Subcontractors**

The agency shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the agency of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from a subcontractor within 30 days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the agency. Federal regulation (49 CFR 26.29) requires that any delay or postponement of payment over 30 days may take place only for good cause and with the agency's prior written approval. Any violation of this provision shall subject the violating prime contractor or subcontractor to penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise, available to the prime contractor or subcontractor in the event of a dispute involving late payment, or nonpayment by the prime contractor, deficient subcontract performance, or noncompliance by a subcontractor. This provision applies to both DBE and non-DBE prime contractors and subcontractors.

### **Satisfactory Performance**

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 10 days from the receipt of each payment the prime contractor receives from the City of Lodi. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City of Lodi. This clause applies to both DBE and non-DBE subcontractors.

### **Release of Retainage**

The prime contractor agrees to further release retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the City of Lodi. This clause applies to both DBE and non-DBE subcontractors.

### **Ongoing Compliance Monitoring**

It is the responsibility of the prime contractor to provide evidence of all subcontractor payments in accordance with the above stated Prompt Payment Provisions. The prime contractor shall provide access to such records at the request of the City of Lodi.

The City of Lodi will conduct periodic reviews as necessary to ensure full compliance.

### **XIII. Monitoring and Enforcement Mechanisms (§ 26.37)**

The City of Lodi will assign a Resident Engineer (RE) or Contract Manager to monitor and track actual DBE participation through contractor and subcontractor reports of payments in accordance with the following:

#### **After Contract Award**

After the contract award, the City of Lodi will review the award documents for the portion of items each DBE and first tier subcontractor will be performing and the dollar value of that work. With these documents the RE/Contract Manager will be able to determine the work to be performed by the DBEs or subcontractors listed.

#### **Pre-Construction Conference**

A pre-construction conference will be scheduled between the RE and the prime contractor or their representative to discuss the work each DBE subcontractor will perform.

Before work can begin on a subcontract, the City of Lodi will require the contractor to submit a completed "Subcontracting Request," Exhibit 16-B of Caltrans' Local Assistance Program Manual (LAPM) or equivalent. When the RE receives the completed form it will be checked for agreement of the first tier subcontractors and DBE's to ensure DBE goal commitments are adhered to. The RE will not approve the request when it identifies someone other than the DBE or first tier subcontractor listed in the previously completed "Local Agency Bidder DBE Information," Exhibit 15-G of the Caltrans' LAPM. The "Subcontracting Request" will not be approved until all discrepancies are resolved. If an issue cannot be resolved at that time, or there is some other concern, the RE will require the contractor to eliminate the subcontractor in question before signing the subcontracting request. A change in the DBE or first tier subcontractor may be addressed during a substitution process at a later date.

Suppliers, vendors, or manufacturers listed on the "Bidder DBE Information" will be compared to those listed in the completed Exhibit 16-I of Caltrans' LAPM or equivalent. Differences must be resolved by either making corrections or requesting a substitution.

Substitutions will be subject to the Subletting and Subcontracting Fair Practices Act (FPA). Local agencies will require contractors to adhere to the provisions within Subletting and Subcontracting Fair Practices Act (State Law) Sections 4100-4144. FPA requires the contractor to list all subcontractors within excess of one half of one percent (0.5%) of the contractor's total bid or \$10,000, whichever is greater. The statute is designed to prevent bid shopping by contractors. The FPA explains that a contractor may not substitute a subcontractor listed in the original bid except with approval of the awarding authority.

The RE will give the contractor a blank “Final Report Utilization of Disadvantaged Business Enterprises, First Tier Subcontractors”, Exhibit 17-F of Caltrans’ LAPM, and will explain to them that the document will be required at the end of the project, for which payment can be withheld, in conformance with the contract.

### **Construction Contract Monitoring**

The RE will ensure that the RE’s staff (inspectors) know what items of work each DBE is responsible for performing. Inspectors will notify the RE immediately of apparent violations.

When a firm other than the listed DBE subcontractor is found performing the work, the RE will notify the contractor of the apparent discrepancy and potential loss of payment. Based on the contractor’s response, the RE will take appropriate action. The DBE Liaison Officer will perform a preliminary investigation to identify any potential issues related to the DBE subcontractor performing a commercially useful function. Any substantive issues will be forwarded to the Caltrans Disadvantaged Business Enterprise Program. If the contractor fails to adequately explain why there is a discrepancy, payment for the work will be withheld and a letter will be sent to the contractor referencing the applicable specification violation and the required withholding of payment.

If the contract requires the submittal of a monthly trucking document, the contractor will be required to submit documentation to the RE showing the owner’s name; California Highway Patrol CA number; and the DBE certification number of the owner of the truck for each truck used during that month for which the DBE participation will be claimed. The trucks will be listed by California Highway Patrol CA number in the daily diary or on a separate piece of paper for documentation. The numbers are checked by inspectors regularly to confirm compliance.

### **Substitution**

When a DBE substitution is requested, the RE/ Contract Manager will request a letter from the contractor explaining why substitution is needed. The RE/Contract Manager must review the letter to be sure names and addresses are shown, dollar values are included, and the reason for the request is explained. If the RE/Contract Manager agrees to the substitution and with concurrence of the substitution of the DBE Liaison Officer, the RE/Contract Manager will notify, in writing, the DBE subcontractor regarding the proposed substitution and procedure for written objection from the DBE subcontractor in accordance with the Subletting and Subcontracting Fair Practices Act. If the contractor is not meeting the contract goal with this substitution, the contractor must provide the required good faith effort to the RE/ Contract Manager for local agency consideration.

If there is any doubt in the RE/Contract Manager’s mind regarding the requested substitution, the RE/Contract Manager may contact the DLAE for assistance and direction.

## **Record Keeping and Final Report Utilization of Disadvantaged Business Enterprises**

The contractor shall maintain records showing the name and address of each first-tier subcontractor. The records shall also show:

1. The name of the business address, regardless of tier, of every DBE subcontractor, DBE vendor of materials and DBE trucking company.
2. The date of payment and the total dollar figure paid to each of the firms.
3. The DBE prime contractor shall also show the date of work performed by their own forces along with the corresponding dollar value of the work claimed toward DBE goals.

When a contract has been completed the contractor will provide a summary of the records stated above. The DBE utilization information will be documented on Exhibit 17-F of Caltrans' LAPM and will be submitted to the DLAE attached to the Report of Expenditures. The RE will compare the completed Exhibit 17-F of Caltrans' LAPM to the contractor's completed Exhibit 15-G of Caltrans' LAPM and, if applicable, to the completed Exhibit 16-B of Caltrans' LAPM. The DBE's shown on the completed Exhibit 17-F of the Caltrans' LAPM should be the same as those originally listed unless an authorized substitution was allowed, or the contractor used more DBE's and they were added. The dollar amount should reflect any changes made in planned work done by the DBE. The contractor will be required to explain in writing why the names of the subcontractors, the work items or dollar figures are different from what was originally shown on the completed Exhibit 15-g of Caltrans' LAPM when:

- There have been no changes made by the RE.
- The contractor has not provided a sufficient explanation in the comments section of the completed Exhibit 17-F of Caltrans' LAPM.

The explanation will be attached to the completed Exhibit 17-F for submittal. The RE will file this in the project records.

The City of Lodi's DBE Liaison Officer will keep track of the DBE certification status on the Internet at [www.dot.ca.gov/hq/bep](http://www.dot.ca.gov/hq/bep) and keep the RE informed of changes that effect the contract. The RE will require the contractor to act in accordance with existing contractual commitments regardless of decertification.

The DLAE will use the PS&E checklist to monitor the City of Lodi's commitment to require bidders list information to be submitted to the City of Lodi from the awarded prime and subcontractors as a means to develop a bidders list. The monitoring will only take place if the bidders list information is required to be submitted as stipulated in the special provisions.

The City of Lodi will bring to the attention of the DOT through the DLAE any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and



Civil Penalties rules) provided in §26.109. The City of Lodi also will consider similar action under our own legal authorities, including responsibility determinations in future contracts.

#### **XIV. Overall Goals (§ 26.45)**

##### **Amount of Goal**

The City of Lodi's Overall Annual Goal for the Federal Fiscal Year (FFY) 2205/2006 is the following: 6% of the Federal financial assistance in DOT-assisted contracts. This overall goal is broken down into 6% race-conscious and 0% race-neutral components.

##### **Methodology**

###### **Projecting Federal Assisted Contract Awards/ Expenditures for Federal Fiscal Year**

In conjunction with the preparation and adoption of the budget for each fiscal year, the DBE Liaison Officer, in consultation with the appropriate divisions and departments responsible for contracting activities, will conduct a thorough analysis of the projected number, types of work by industry disciplines and dollar amounts of contracting opportunities that will be funded, in whole or in part, by DOT federal financial assistance for that year.

###### ***STEP 1:            Establishing a Base Figure***

Once the City of Lodi defines its DOT-assisted contracting program and relevant market areas for the fiscal year, the City of Lodi will establish a *Base Figure* following one of the methodologies outlined in Title 49 CFR Part 26 and Caltrans' Local Assistance Procedures Manual.

For Federal Fiscal Year 2005/06, to determine the Base Figure of relative availability of DBE's, the City of Lodi embraced a methodology, which included a calculation and an analysis of the ratio of all available (ready, willing and able) established DBE firms as compared to all available established firms within the City of Lodi's market area. This was accomplished by utilizing the Caltrans on-line Bulletin Board System (BBS) Directory of Certified Firms as its numerator and the 1998 U.S. Census Bureau County Business Patterns (CBP) Database as its denominator. Comparisons were made by corresponding zip codes within the City of Lodi's market area and by the following specified industries:

**Categories:**    Highway and Street Construction and Concrete Work

The City of Lodi further weighted the resultant figure based on the amount of DOT-federal assistance the City of Lodi is projected to award and/or expend on various industries in establishing the base figure.

Please refer to Appendix D for the City of Lodi's Overall Annual Goal Analysis for FFY 2005/2006.

*STEP 2:                    Adjusting the Base Figure*

As a mandatory second step, the City of Lodi will survey other relevant market data to consider adjusting the Base Figure established. Indicators that City of Lodi may determine to be relevant to its market, may include, but not be limited to:

1. Demonstrated evidence of DBE capacity to perform work in the City of Lodi's federally assisted and non-federally assisted program.
2. The number, types and dollar value of contracting opportunities projected to be financed with federal funds and to be awarded during the federal fiscal year.
3. The City of Lodi's Bidders List.
4. Other recipients' goal results in similar contracting opportunities and markets, and the reasons for the level of those results.
5. The methods used by the City of Lodi to increase DBE participation in federally assisted contracts.
6. The demographics and business activity of the geographical area in which the City of Lodi will solicit bids or proposals.
7. The data from statistical disparities of DBE's to obtain financing, bonding and insurance requirements.
8. The data on employment and self-employment, education and training programs, to the extent the City of Lodi can relate it to the opportunities for DBE's to perform in the City of Lodi's DBE Program.

**Breakout of Estimated Race-Neutral and Race-Conscious Participation**

The City of Lodi shall achieve the overall annual goals for DBE participation through a combination of race-neutral goals and race-conscious measures including the use of contract-specific goals as needed to meet its overall annual DBE goal.

*Race-Neutral Measures*

The City of Lodi intends to use race-neutral measures to the extent feasible to achieve its overall annual goal. The City of Lodi will use the following measures as appropriate to facilitate DBE and other small business participation in the City of Lodi's contracting program:

- (a) Configuring large contracts into smaller contracts when feasible, which would make contracts more accessible to small businesses, and would not impose significant additional cost, delay or risk to the City of Lodi;
- (b) Contractors will be encouraged to consider subcontractors for components of the work for which there is a know supply of ready,

City of Lodi Disadvantaged Business Enterprise Program

- willing and able subcontractors, including DBE subcontractors, in preparing their bids;
- (c) Assisting the overcoming limitations in bonding and financing;
- (d) Providing technical assistance in orienting small businesses to public contracting procedures, use of the Internet, and facilitating introductions to the City of Lodi's and other U.S. DOT recipients' contracting activities; and
- (e) Providing outreach and communications programs on contract procedures and contract opportunities to ensure the inclusion of DBE's and other small businesses.

#### *Race- Conscious Measures Goals (Section 26.51)*

The City of Lodi will annually consider various factors to project levels of DBE participation to be met through race-conscious measures such as contract-specific goals to meet that portion of the overall goal which is not likely to be met utilizing race-neutral measures. The City of Lodi shall monitor and adjust the estimated utilization of race-neutral and race-conscious measures as required in accordance with regulatory guidelines.

#### **Process**

Starting with Federal Fiscal Year 2007, the City of Lodi will submit its overall annual DBE goal to Caltrans by June 1 of each year. The goal submission includes the amount of overall goal, the method utilized to calculate the goal and the estimated race-neutral and race-conscious participation projections. An exception to this will be if FTA or FAA recipients are required by FTA or FAA to submit the annual information to them or a designee by another date.

FHWA recipients will follow this process:

Once the DLAE has responded with preliminary comments and the comments have been incorporated into the draft overall goal analysis, the City of Lodi will publish a notice of the proposed overall goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the City of Lodi's principal office for 30 days from the date of the notice, and informing the public that the City of Lodi will accept comments relative to the goal analysis for 45 days following the date of the notice. Advertisements in newspapers, minority focus media, trade publications, and websites will be the normal media to accomplish this effort. The notice will include addresses to which comments may be sent and addresses (including offices and websites) where the proposed goal and rationale may be reviewed.

The overall final goal resubmission to the Caltrans DLAE, will include a summary of information and comments received during this public participation process, including the City of Lodi's responses and a determination on the impact the public comments has on the overall goal, if any. This will be due by September 1 to the Caltrans DLAE. The

DLAE will have a month to perform a final review enabling the City of Lodi to implement the new overall annual goal by October 1 of each year.

## **XV. Contract Goals (§ 26.51)**

The City of Lodi will use contract goals to meet any portion of the overall goal the City of Lodi does not project being able to meet by the use of race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the overall goal that is not projected to be met through the use of race neutral means.

Contract goals will be established only on those DOT-assisted contracts that have subcontracting possibilities. Contract goals need not be established on every such contract, and the size of the contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBE's to perform that particular type of work). The contract work items will be compared with eligible DBE contractors willing to work on the project. A determination will also be made to decide which items are likely to be performed by the prime contractor and which ones are likely to be performed by the subcontractor(s). The goal will then be incorporated into the contract documents. Contract goals will be expressed as a percentage of the total amount of a DOT-assisted contract.

## **XVI. Transit Vehicle Manufacturers (§ 26.49)**

If DOT- assisted contracts will include transit vehicle procurements, the City of Lodi will require each transit vehicle manufacturer, as a condition of being authorized to bid or propose on transit vehicle procurements, to certify that it has complied with the requirements of 49 CFR Part 26, Section 49. The City of Lodi will direct the transit vehicle manufacturer to the subject requirements located on the Internet at <http://osbuweb.dot.gov/programs/dbe/dbe.htm>.

## **XVII. Good Faith Efforts (§ 26.53)**

### **Information to be Submitted**

The City of Lodi treats bidders'/offerors' compliance with good faith effort requirements as a matter of responsiveness. A responsive proposal is meeting all the requirements of the advertisement and solicitation.

Each solicitation for which a contract goal has been established will require the bidders/offerors to submit the following information to: City of Lodi, P.O. Box 3006, Lodi, CA 95241, no later than 4:00 p.m. on or before the fourth day, not including Saturdays, Sundays and legal holidays, following bid opening:

1. The names and addresses of known DBE firms that will participate in the contract;
2. A description of the work that each DBE will perform;

City of Lodi Disadvantaged Business Enterprise Program

3. The dollar amount of the participation of each DBE firm participation;
4. Written and signed documentation of commitment to use a DBE subcontractor whose participation submits to meet a contract goal;
5. Written and signed confirmation from the DBE that is participating in the contract as provided in the prime contractor's commitment; and
6. If the contract goal is not met, evidence of good faith efforts.

### **Demonstration of Good Faith Efforts**

The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has been done so either by meeting the contract goal or documenting good faith efforts. Examples of good faith efforts are found in Appendix A to Part 26, which is attached.

The following personnel is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as responsive: Ms. Rebecca Areida.

The City of Lodi will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before a commitment to the performance of the contract by the bidder/offereor is made.

### **Administrative Reconsideration**

Within 10 days of being informed by the City of Lodi that it is not responsive because it has not been documented sufficient good faith efforts, a bidder/offeror may request administrative reconsideration. Bidder/ offerors should make this request in writing to the following Reconsideration Official:

Blair King, City Manager  
City of Lodi  
P.O. Box 3006  
Lodi, CA 95241  
Telephone: (209) 333-6700  
E-Mail: [bking@lodi.gov](mailto:bking@lodi.gov)

The Reconsideration Official will not have played any role in the original determination that the bidder/offeror did not make/document sufficient good faith efforts.

As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it met the goal or made adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with the Reconsideration Official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The City of Lodi will send the bidder/offeror a written decision on reconsideration, explaining the basis for the finding that the bidder did or did not meet the goal or make adequate good faith efforts to do so.

The result of the reconsideration process is not administratively appealable to Caltrans, FHWA, or the DOT.

### **Good Faith Efforts when a DBE is Replaced on a Contract**

The City of Lodi will require a contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. The prime contractor is required to notify the RE immediately of the DBE's inability or unwillingness to perform and provide reasonable documentation.

In this situation, the prime contractor will be required to obtain the City of Lodi's prior approval of the substitute DBE and to provide copies of new or amended subcontracts, or documentation of good faith efforts. If the contractor fails or refuses to comply in the time specified, the City of Lodi's contracting office will issue an order stopping all or part of payment/work until satisfactory action has been taken. If the contractor still fails to comply, the contracting officer may issue a termination for default proceeding.

### **XVIII. Counting DBE Participation (§ 26.55)**

The City of Lodi will count DBE participation toward overall and contract goals as provided in the contract specifications for the prime contractor, subcontractor, joint venture partner with prime or subcontractor, or vendor of materials and supplies. See Caltrans' Sample Boiler Plate Contract Documents previously mentioned. Also, refer to XIII: "*After Contract Award.*"

### **XIX. Certification (§ 26.83 (a))**

The City of Lodi ensures that only DBE firms currently certified on the Caltrans' directory will participate as DBE's in out program.

### **XX. Information Collecting and Reporting**

#### **Bidders List**

The City of Lodi will create a bidders list, consisting of information about all DBE and non-DBE firms that bid or quote on its DOT-assisted contracts. The bidders list will include the name, address, DBE/non-DBE status, age of firm, type of work provided by the firm and annual gross receipts of the firms.

The City of Lodi has incorporated a Bidders List form, identified as Appendix C, into the City of Lodi's solicitation documents, which requires that bidders/offers provide all required information.

### **Monitoring Payments to DBE's**

Prime contractors are required to maintain records and documents of payments to DBE's for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the City of Lodi, Caltrans or FHWA. This reporting requirement also extends to any certified DBE subcontractor.

Payments to DBE subcontractors will be reviewed by the City of Lodi to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

### **Reporting to Caltrans**

The City of Lodi will report final utilization of DBE participation to the DLAE using Exhibit 17-F of the Caltrans LAPM.

### **Confidentiality**

The City of Lodi will safeguard from disclosure to third parties information that may reasonably be regarded as confidential business information, consistent with Federal, State and local laws.

\_\_\_\_\_  
Blair King  
City Manager  
City of Lodi

Date: \_\_\_\_\_

This Disadvantaged Business Enterprise Program is accepted by:

\_\_\_\_\_  
Signature of DLAE

Date: \_\_\_\_\_

APPENDIX A TO PART 26
GUIDANCE CONCERNING GOOD FAITH EFFORTS

- I. When, as a recipient, you establish a contract goal on a DOT-assisted contract, a bidder must, in order to be responsible and/or responsive, make good faith efforts to meet the goal. The bidder can meet this requirement in either of two ways. First, the bidder can meet the goal, documenting commitments for participation by DBE firms sufficient for this purpose. Second, even if it doesn't meet the goal, the bidder can document adequate good faith efforts. This means that the bidder must show that it took all necessary and reasonable steps to achieve a DBE goal or other requirement of this part which, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if they were not fully successful.
- II. In any situation in which you have established a contract goal, part 26 requires you to use the good faith efforts mechanism of this part. As a recipient, it is up to you to make a fair and reasonable judgment whether a bidder that did not meet the goal made adequate good faith efforts. It is important for you to consider the quality, quantity, and intensity of the different kinds of efforts that the bidder has made. The efforts employed by the bidder should be those that one could reasonably expect a bidder to take if the bidder were actively and aggressively trying to obtain DBE participation sufficient to meet the DBE contract goal. Mere pro forma efforts are not good faith efforts to meet the DBE contract requirements. We emphasize, however, that your determination concerning the sufficiency of the firm's good faith efforts is a judgment call: meeting quantitative formulas is not required.
- III. The Department also strongly cautions you against requiring that a bidder meet a contract goal (i.e., obtain a specified amount of DBE participation) in order to be awarded a contract, even though the bidder makes an adequate good faith efforts showing. This rule specifically prohibits you from ignoring bona fide good faith efforts.
- IV. The following is a list of types of actions which you should consider as part of the bidder's good faith efforts to obtain DBE participation. It is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts may be relevant in appropriate cases.
  - A. Soliciting through all reasonable and available means (e.g. attendance at pre-bid meetings, advertising and/or written notices) the interest of all certified DBEs who have the capability to perform the work of the contract. The bidder must solicit this interest within sufficient time to

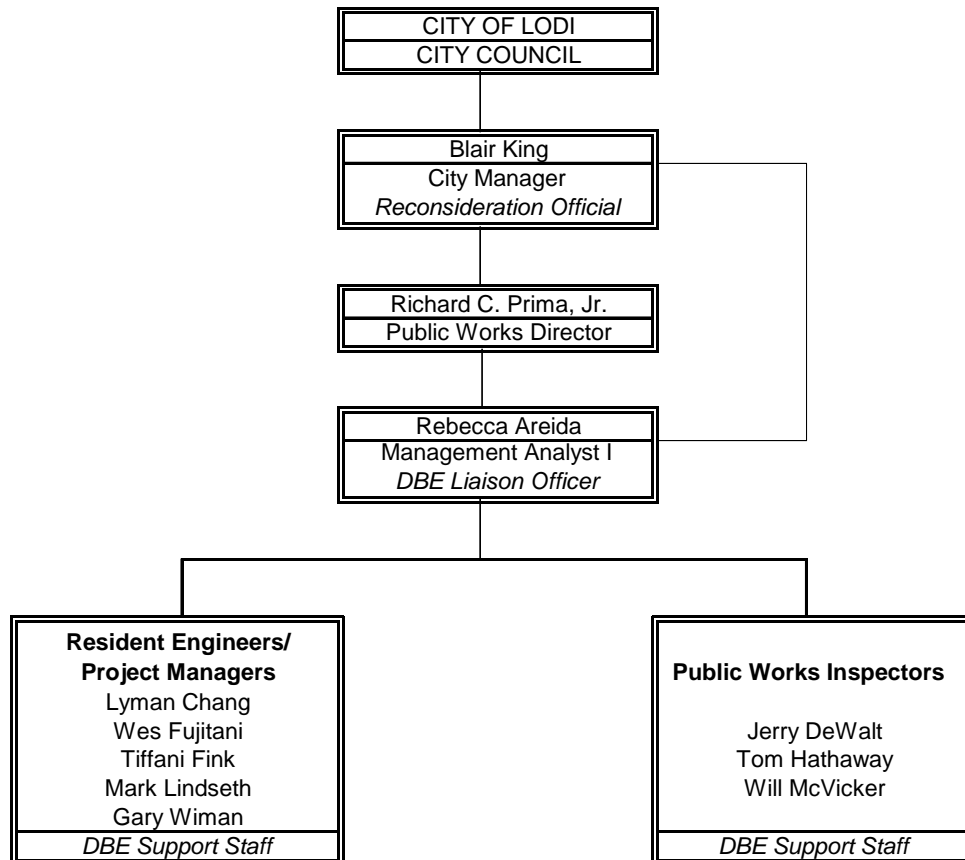


allow the DBEs to respond to the solicitation. The bidder must determine with certainty if the DBEs are interested by taking appropriate steps to follow up initial solicitations.

- B. Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the prime contractor might otherwise prefer to perform these work items with its own forces.
- C. Providing interested DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner to assist them in responding to a solicitation.
- D. (1) Negotiating in good faith with interested DBEs. It is the bidder's responsibility to make a portion of the work available to DBE subcontractors and suppliers and to select those portions of the work or material needs consistent with the available DBE subcontractors and suppliers, so as to facilitate DBE participation. Evidence of such negotiation includes the names, addresses, and telephone numbers of DBEs that were considered; a description of the information provided regarding the plans and specifications for the work selected for subcontracting; and evidence as to why additional agreements could not be reached for DBEs to perform the work.  
  
(2) A bidder using good business judgment would consider a number of factors in negotiating with subcontractors, including DBE subcontractors, and would take a firm's price and capabilities as well as contract goals into consideration. However, the fact that there may be some additional costs involved in finding and using DBEs is not in itself sufficient reason for a bidder's failure to meet the contract DBE goal, as long as such costs are reasonable. Also, the ability or desire of a prime contractor to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make good faith efforts. Prime contractors are not, however, required to accept higher quotes from DBEs if the price difference is excessive or unreasonable.
- E. Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities. The contractor's standing within its industry, membership in specific groups, organizations, or associations and political or social affiliations (for example union vs. non-union employee status) are not legitimate causes for the rejection or nonsolicitation of bids in the contractor's efforts to meet the project goal.
- F. Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or contractor.

- G. Making efforts to assist interested DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services.
  - H. Effectively using the services of available minority/women community organizations; minority/women contractors' groups; local, state, and federal minority/women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and placement of DBEs.
- V. In determining whether a bidder has made good faith efforts, you may take into account the performance of other bidders in meeting the contract. For example, when the apparent successful bidder fails to meet the contract goal, but others meet it, you may reasonably raise the question of whether, with additional reasonable efforts, the apparent successful bidder could have met the goal. If the apparent successful bidder fails to meet the goal, but meets or exceeds the average DBE participation obtained by other bidders, you may view this, in conjunction with other factors, as evidence of the apparent successful bidder having made good faith efforts.

# **CITY OF LODI DBE PROGRAM ORGANIZATIONAL CHART**



## CITY OF LODI

## BIDDERS LIST

All bidders/proposers are required to provide the following information for all DBE and non-DBE contractors, who provided a proposal, bid, quote or were contacted by the proposed prime. This information is also required from the proposed prime contractor, and must be submitted with their bid/proposal. The City of Lodi will use this information to maintain and update a Bidders List to assist in the overall annual goal setting process.

Firm Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_ Fax: \_\_\_\_\_

\_\_\_\_\_

Contact  
Person: \_\_\_\_\_ No. of Years in Business: \_\_\_\_\_

Is the firm currently certified as a DBE under the new regulations (49 CFR part 26)

☐ Yes ☐ No

Type of work/services/materials provided by firm: \_\_\_\_\_

\_\_\_\_\_

What was your firm's Gross Annual receipts for last year?

_____	Less than \$1 Million
_____	Less than \$5 Million
_____	Less than \$10 Million
_____	Less than \$15 Million
_____	More than \$15 Million

This form can be duplicated if necessary to report all bidders (DBE and non-DBE's) information.

**LODI TRANSIT SYSTEM  
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM  
OVERALL ANNUAL DBE GOAL SETTING METHODOLOGY  
FOR  
FEDERAL FISCAL YEAR 2005/06  
(Covering the period of October 1, 2005 through September 30, 2006)**

**I. DOT-ASSISTED CONTRACTING PROGRAM FOR FFY 2005/06**

*Table 1* serves to define Lodi Transit System's DOT-assisted (FTA) contracting program for FFY 2005/06 by contract type (i.e. Construction, Professional Services and respective federal dollar amounts allocated). The fiscal year's contracting program includes three (3) DOT- (FTA) assisted projects, which were assessed in preparing the Agency's *Overall Annual DBE Goal-Setting Analysis*. All three (3) projects have viable subcontracting possibilities and are anticipated to be awarded within the fiscal year 2005/06.

***Table 1***

PROJECT	Total Estimated Project Cost	Estimated Federal Dollar Share of Construction	Estimated Federal Dollar Share of Professional Services	Estimated Federal Dollar Share of Materials & Supplies
<b>Lockeford/Sacramento Traffic Signal</b>	\$237,000.00	\$237,000.00	-0-	-0-
<b>Bus Shelters</b>	\$125,000.00	\$125,000.00	-0-	-0-
<b>Fleet Shop Expansion</b>	\$275,000.00	-0-	\$55,000.00	-0-
<b>TOTAL USED IN ANALYSIS</b>	<b>\$637,000.00</b>	<b>\$362,000.00</b>	<b>\$55,000.00</b>	<b>-0-</b>

*Table 2* provides a summary of work grouped into two primary categories: *Construction and Professional Services* utilizing the CUCP 2002 North American Industry Classification System (NAICS) work categories and comparable 2002 Census Business Patterns NAICS. *Table 2* also serves to identify the estimated Federal Dollar Share and the relative weighted percentage per contract type, as follows:

**Table 2**

CONTRACT TYPE	CUCP 2002 NAICS WORK CATEGORY	COMPARABLE 2001 NAICS CENSUS DATA	ESTIMATED FEDERAL DOLLAR SHARE	WEIGHTED %
<b>Construction</b>	237310	234110	\$362,000.00	<b>87%</b>
<b>Professional Services</b>	237990	234990	\$55,000.00	<b>13%</b>
<b>TOTAL</b>			<b>\$417,000.00</b>	<b>100 %</b>

## II. GOAL-METHODOLOGY

### *Step 1: Determination of a Base Figure (26.45)*

To establish the Agency's Base Figure representing the relative availability of DBEs to all comparable firms (DBEs and Non-DBEs) available to bid or propose on the Agency's federally assisted contracts in FFY 2005/06, the Agency followed one of the five federally prescribed goal setting methodologies. This was accomplished by accessing the *California Unified Certification Program (CUCP) Database of Certified Firms* and the *2002 U.S. Census Bureau County Business Patterns (CBP) Database*. Comparisons were made by corresponding zip codes within Lodi Transit System's market area (defined as San Joaquin, Calaveras, Stanislaus and Sacramento Counties) and by the specified industries and types of businesses identified in Table 2. The Agency's local market area represents where the substantial majority of the Agency's dollars are expended and/or where the substantial majority of contractors and subcontractors' bids or quotes.

The Lodi Transit System made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

- ⇒ **For the numerator:** *California UCP DBE Database of Certified Firms*
- ⇒ **For the denominator:** *2002 U.S. Census Bureau's Business Pattern Database (CBP)*

To determine the relative availability of DBEs within the Lodi Transit System's market area, the Agency divided the numerator representing the ratio of ready, willing and able DBE firms, by the denominator representing all firms (DBEs and Non-DBEs) available for each of the work categories. Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing, and Able DBEs}}{\text{Number of All Available Firms (including DBEs and Non-DBEs)}} = \text{BASE FIGURE}$$

The Base Figure was further adjusted by weighting the relative availability of DBEs grouped within the major work categories, giving more weight to the work categories/industries in which the Agency projects to spend more DOT- (FTA) assisted dollars. The Base Figure resulting from this weighted calculation is as follows:

***Step I: Base Figure: (weighted by type of work to be performed and corresponding contracting dollars)***

$$\text{Base Figure} = \left[ \begin{array}{c} \text{Construction} \\ 87\% \left( \frac{\text{DBEs in 237310}^*}{\text{CBPs in NAICS 234110}^{**}} \right) \end{array} \right] + \left[ \begin{array}{c} \text{Professional Services} \\ 13\% \left( \frac{\text{DBEs in 237990}^*}{\text{CBPs in NAICS 234990}^{**}} \right) \end{array} \right]$$

$$\text{Base Figure} = \left[ \begin{array}{c} .87 \left( \frac{178}{2913} \right) \end{array} \right] + \left[ \begin{array}{c} .13 \left( \frac{37}{503} \right) \end{array} \right]$$

$$\text{Base Figure} = \left[ \begin{array}{c} .87 (.0611) \end{array} \right] + \left[ \begin{array}{c} .13 (.0736) \end{array} \right]$$

$$\text{Base Figure} = \left[ \begin{array}{c} .0532 \end{array} \right] + \left[ \begin{array}{c} .0096 \end{array} \right]$$

$$\text{Base Figure} = \left[ \begin{array}{c} 0.0627 \end{array} \right]$$

$$\text{Base Figure} = (.0627) 100 = 6.27 = \mathbf{6\%}^{***}$$

\* For all additional NAICS Codes from the California Unified DBE Directory, refer to Attachment I.

\*\* For all additional NAICS Codes included in the analysis, refer to Attachment II.

\*\*\* Rounded to the nearest whole number.

## ***Step 2: Adjusting the Base Figure***

Upon establishing the Base Figure, Lodi Transit System reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within Lodi Transit System's market area, accordance with prescribed narrow tailoring provisions set forth under Title 49 CFR Part 26.45 Step II DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included the *Lodi Transit System's Past DBE Goal Attainments on Similar Type Projects, Bidders List, Disparity Studies, Other Agencies' DBE Goals and attainments within the Lodi Transit System's jurisdiction and Other Evidence*. A summary of these considerations follows:

### ***A. Past DBE Goal Attainments on Similar Type Projects***

While this is an important consideration in the overall goal setting analysis, Lodi Transit System has no historical records of DBE attainment as this is the first year of FTA DOT-assisted projects. Lodi Transit System will continue to capture such information and will utilize this data in future goal-setting analysis.

### ***B. Lodi Transit System's Bidders List***

The Agency's Bidders List was considered in adjusting the base figure, however, the Agency's data collection system does not provide for this type of assessment as this is the first year of DOT-assisted projects. Accordingly, the Agency will not make an adjustment to the Step 1 Base Figure based on the Bidders List. The Agency will automate its Bidders List and will capture such information from all bidders at the time of bid/proposal submission and will utilize such information in future goal-setting analysis.

### ***C. Evidence from Disparity Studies***

Lodi Transit System is not aware of any current disparity studies within Lodi Transit System's jurisdiction and/or market area to consider in this step of the goal setting analysis.

### ***D. Other Agencies DBE Goals***

Lodi Transit System surveyed other DOT-recipients (local agencies) within its jurisdiction, with similar contracting programs to assess their DBE goals and actual attainments toward making an adjustment. Local agencies included in the survey were Stanislaus County and the City of Ripon. Using the most current data available, the DBE Goal established for Stanislaus County (FFY 2005) was 7%, while the DBE Goal established for the City of Ripon (FFY 2005) was 5%. Since the goal projections and attainments are in alignment with Lodi Transit System's Base Figure of 6%, no adjustment is recommended.



### ***E. Other Evidence***

Lodi Transit System is not aware of any additional relevant data, including anecdotal evidence over and above those factors considered that would sufficiently merit an adjustment to the Base Figure at this time. However, the Agency will continue to explore and consider all available evidence that could have a potential impact on the DBE goal setting process (i.e. relative availability of DBEs within the Agency's market area in future goal setting analysis).

### **Overall Resultant Goal Adjustment**

Based on Lodi Transit System's review and consideration of the above factors, particularly the lack of historical DBE participation/attainment data, evidence considered does not merit an adjustment to the Base Figure at this time.

## **III. OVERALL ANNUAL GOAL AND PROJECTION OF RACE-NEUTRAL AND RACE-CONSCIOUS PARTICIPATION:**

As there is no historical attainment data to determine Race-Neutral attainments, the **Lodi Transit System projects that the proposed Overall Annual DBE Goal for FFY 2005/06 of 6% will be met utilizing Race-Conscious measures**, including utilizing contract specific numeric goals, as necessary to achieve the overall goal and **0%** will be achieved utilizing Race-Neutral Measures.

However, in accordance with Title 49 CFR Part 26.51, the Agency will continue to prioritize the use of race-neutral measures to the extent feasible to meet its overall annual DBE goal including: arranging timely solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE, and other small business participation and by requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces. The application of race-conscious goals on the Agency's DOT-assisted contracts will continue to be used only to the extent necessary to achieve the Agency's approved DBE overall annual goal. Should the initial contract's actual DBE commitments exceed projections, adjustments will be made accordingly.

#### **IV. PUBLIC PARTICIPATION AND FACILITATION**

In accordance with Public Participation Regulatory Requirements of 49 CFR Part, minority, women, local business chambers, and community organizations within Lodi Transit System's market area will be provided an opportunity to review this goal analysis. The Agency will prepare an Outreach Consultation Letter advising the aforementioned business community of the proposed DBE goal analysis and availability for review.

Lodi Transit System will also issue a Public Notice in general circulation media and in at least one other minority focused media publishing the Agency's proposed Overall Annual Goal for FFY 2005/06 DOT-assisted contracts. Such Notice will inform the public that the proposed goal and its rationale is available for inspection at Lodi Transit System's offices (from 8:30 a.m. to 4:00 p.m., Pacific Standard Time, Monday through Friday) for 30 days following the date of the Public Notice and that Lodi Transit System will accept comments on the goal analysis for 45 days from the date of the Public Notice. The required public participation provisions will be fully satisfied prior to submitting the Lodi Transit System's Overall Annual DBE Goal to the Federal Transit Administration for final review and approval.

## CITY OF LODI

## DBE OVERALL ANNUAL GOAL ANALYSIS FOR FFY2005/2006

## ESTABLISHMENT OF THE NUMERATOR:

# OF ESTABLISHED DBE FIRMS BY WORK CATEGORY WITHIN THE CITY OF LODI'S MARKET AREA ( DEFINED AS SAN JOAQUIN, CALAVERAS, STANISLAUS AND SACRAMENTO COUNTIES <sup>1</sup> )

CONSTRUCTION:			BY CORRESPONDING ZIP CODES						
NAICS 2002	COUNTY BUSINESS PATTERNS USING 2002 NAICS	NAICS DESCRIPTION	942	952	953	956	957	958	TOTAL
237310	234110	Highway, Street and Bridge Construction	0	0	8	16	5	9	38
237990	237990	Other Heavy and Civil Engineering Construction	0	1	1	1	2	1	6
238110	235710	Poured Concrete Foundation and Structure Contractors	0	1	5	6	6	4	22
238140	235410	Masonry Contractors	0	0	1	2	0	0	3
238160	235610	Roofing Contractors	0	1	1	1	0	0	3
238210	235310	Electrical Contractors	0	0	3	2	1	0	6
238320	235210	Painting and Wall Covering Contractors	0	1	0	2	0	2	5
238990	235710	All Other Specialty Trade Contractors	0	6	7	26	10	13	62
324121	324121	Asphalt Paving, Roofing, and Saturated Materials Manufacturing	0	0	2	0	0	0	2
327121	327121	Brick and Structural Clay Tile Manufacturing	0	0	0	0	0	0	0
327332	327332	Concrete Pipe Manufacturing	0	1	0	0	1	1	3
332312	332312	Fabricated Structural Metal Manufacturing	0	0	1	0	0	0	1
334290	334290	Other Communications Equipment	0	0	0	0	0	0	0
335999	335999	All Other Miscellaneous Electrical	0	0	0	1	0	1	2
484110	484110	General Freight Trucking, Local	0	3	7	5	0	2	17
484220	484220	Specialized Freight (except Used Goods) Trucking, Local	0	1	0	1	0	1	3
561730	561730	Landscaping Services	0	0	0	1	0	2	3
561990	561990	All Other Support Services	0	1	0	0	0	1	2
TOTAL NUMBER OF ESTABLISHED DBE FIRMS			0	16	36	64	25	37	178

## PROFESSIONAL SERVICES:

## ATTACHMENT I

NAICS 2002	COUNTY BUSINESS PATTERNS USING 2002 NAICS	NAICS DESCRIPTION	942	952	953	956	957	958	TOTAL
541330	541330	Engineering Services	0	2	1	12	5	13	<b>33</b>
541310	541310	Architectural Design Services	0	0	0	2	1	1	<b>4</b>
<b>TOTAL NUMBER OF ESTABLISHED DBE FIRMS</b>			<b>0</b>	<b>2</b>	<b>1</b>	<b>14</b>	<b>6</b>	<b>14</b>	<b>37</b>

<sup>1</sup>: **DATA SOURCE:** California UCP DBE Database of Certified Firms.

# CITY OF LODI DBE OVERALL ANNUAL GOAL ANALYSIS FOR FFY2005/06

## ATTACHMENT II

### ESTABLISHMENT OF THE DENOMINATOR:

# OF ALL ESTABLISHED FIRMS (DBEs and Non DBEs) BY WORK CATEGORY WITHIN THE CITY OF LODI'S MARKET AREA (DEFINED AS SAN JOAQUIN, CALAVERAS, STANISLAUS AND SACRAMENTO COUNTIES<sup>1</sup>)

<b>CONSTRUCTION:</b>						
Major Category:		San Joaquin	Calaveras	Stanislaus	Sacramento	Total
NAICS CODE	NAICS DESCRIPTION					
234110	Highway, Street and Bridge Construction	19	6	17	34	76
237990	Other Heavy and Civil Engineering Construction	0	0	0	0	0
235710	Poured Concrete Foundation and Structure Contractors	65	6	65	131	267
235410	Masonry Contractors	14	5	17	44	80
235610	Roofing Contractors	59	8	44	153	264
235310	Electrical Contractors	97	12	73	228	410
235210	Painting and Wall Covering Contractors	81	14	69	202	366
235710	All Other Specialty Trade Contractors	65	6	65	131	267
324121	Asphalt Paving, Roofing, and Saturated Materials Manufacturing	4	0	65	4	73
327121	Brick and Structural Clay Tile Manufacturing	0	0	0	1	1
327332	Concrete Pipe Manufacturing	2	0	2	2	6
332312	Fabricated Structural Metal Manufacturing	10	0	7	9	26
334290	Other Communications Equipment	0	1	0	2	3
335999	All Other Miscellaneous Electrical	1	0	0	0	1
484110	General Freight Trucking, Local	87	1	46	61	195
484220	Specialized Freight (except Used Goods) Trucking, Local	98	7	75	76	256
561730	Landscaping Services	120	14	101	279	514
561990	All Other Support Services	19	2	16	71	108
<b>TOTAL NUMBER OF ESTABLISHED FIRMS</b>		<b>741</b>	<b>82</b>	<b>662</b>	<b>1428</b>	<b>2913</b>

### PROFESSIONAL SERVICES:

Major Category: <b>23411: Highway &amp; Street Construction</b>		<b>ATTACHMENT II</b>				
		<b>San Joaquin</b>	<b>Calaveras</b>	<b>Stanislaus</b>	<b>Sacramento</b>	<b>Total</b>
<b>NAICS CODE</b>	<b>NAICS DESCRIPTION</b>					
541330	Engineering Services	53	8	49	255	<b>365</b>
541310	Architectural Design Services	19	3	18	98	<b>138</b>
<b>TOTAL NUMBER OF ESTABLISHED FIRMS</b>		<b>72</b>	<b>11</b>	<b>67</b>	<b>353</b>	<b>503</b>

<sup>1</sup>: **DATA SOURCE:** 2001 U.S. Census Bureau: County Business Patterns, NAICS Work Category Codes.

RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING AND  
ADOPTING THE ESTABLISHED OVERALL ANNUAL  
DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL OF  
6% FOR FTA-ASSISTED PROJECTS FOR FEDERAL FISCAL  
YEAR 2005-06

=====

WHEREAS, the City of Lodi is required to develop and submit an Overall Annual Goal for Disadvantaged Business Enterprise (DBE) participation for U. S. Department of Transportation (DOT)-assisted contracts, as a condition of federal financial assistance, pursuant to revised regulations set forth under Title 49 CFR Part 26; *Participation by Disadvantaged Business Enterprises in Department of Transportation Programs*; and

WHEREAS, in accordance with DBE regulations, the City of Lodi has established an Overall Annual DBE Goal for federal fiscal year 2005-06 for FTA-assisted projects to ensure full compliance with relevant regulatory requirements; and

WHEREAS, the City of Lodi has established a goal of 6% for DOT-assisted projects for federal fiscal year 2005-06; and

WHEREAS, City Council adoption is required to ensure compliance with DOT's federal funding requirements, provisions, and financial responsibilities.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the approval and adoption of the Established Overall Annual DBE Goal of 6% for FTA-assisted projects for federal fiscal year 2005-06, and submission to the California Department of Transportation for funding authority approval on behalf of the City of Lodi.

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



## **CITY OF LODI COUNCIL COMMUNICATION**

TM

**AGENDA TITLE:** Adopt Resolution Authorizing Three-Year Extension of Existing Telephone Service Contract with SBC (\$231,333 per year)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Information Systems Manager

---

**RECOMMENDED ACTION:** Adopt resolution authorizing the City Manager to extend the current contract with SBC, of Stockton, under the terms of the State of California CALNET contract, for three (3) years for telephone services and hardware ending in November 2008.

**BACKGROUND INFORMATION:** The existing CALNET contract Authorization to Order (ATO) expired on November 10, 2005, but will auto-renew one additional year if no action is taken. However, after November 2006 SBC services will fall back to straight tariff pricing, which is two to three times higher than the current pricing under the terms of the State of California CALNET agreement. SBC is offering to lock in the current CALNET pricing if the City signs a renewal contract that expires in 2008. Over the past five years the City Council has allowed staff to purchase telephone services and equipment from SBC under the terms of the State of California competitively bid CALNET contract; related Council resolutions 99-53, 99-106, and 2001-220.

The State of California is currently working on a new agreement called CALNET II. The SBC contract extension to 2008 will honor the terms of the original CALNET contract, and allows the City of Lodi to terminate the contract without penalty should a newer CALNET agreement become available. It is anticipated that the State of California will award the CALNET II contract sometime during 2006 or 2007.

The CALNET agreement has been written with a refresh clause that ensures that the State (and the City) will get the lowest prices for goods and services during the term of the contract. The current CALNET contract ends in 2005.

CALNET agreement refresh clause:

### **17. ANNUAL SERVICE REVIEW**

For the purpose of maintaining competitiveness throughout the term of this Agreement, Contractor agrees to a joint review of its pricing and service functionality, and marketing efforts annually to ensure State and its customers will receive cost and technologically competitive services throughout the terms of the Agreement. Contractor agrees that no other customer of Pacific Bell (SBC) and MCI, collectively or as individual companies, will receive better rates for a substantially similar suite of services offered under substantially similar terms and conditions when the volume of business from the other customer is equal to or less than the volume of business the State delivers under this Agreement.

Revised: Amendment No. 1 - 12/4/98

---

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager



It is therefore staff's recommendation that the City Council authorize a three-year extension to the existing SBC contract in order to avoid expiration of the current contract and having the City pay tariff rates, with the understanding that the City retains the option of canceling the contract should terms be found more favorable under the proposed CALNETII agreement.

**FISCAL IMPACT:** There will be no fiscal impact by approving the extension, as recommended. However, the City's telephone costs could dramatically increase next year if the contract is not extended.

**FUNDING:** Telephone Budget (100242.7335)

---

James R. Krueger, Deputy City Manager

Respectfully Submitted,

---

Steve Mann  
Information Systems Manager

Prepared by Mark White, Information Systems Coordinator

CMW

cc: Janice Magdich, Deputy City Attorney  
Joel Harris Purchasing Officer

**EXHIBIT B-3 - AUTHORIZATION TO ORDER**

**EXHIBIT B-3  
AUTHORIZATION TO ORDER UNDER STATE AGREEMENT  
(TERM COMMITMENT)  
(Please print or type clearly)**

Pacific Bell ("Pacific"), MCI Telecommunications Corporation ("MCI") (collectively, "Contractor") and the State of California ("State") have entered into an Agreement for the Provision of Telecommunications Service(s) and Products, dated December 4, 1998 ("Agreement"). The term of the Agreement ends December 3, 2005. The State may, at its sole discretion, extend the Agreement for three additional one year periods. Pursuant to the Agreement, which is incorporated herein by reference, Municipalities of the State are allowed to order services and products out of the Agreement ("Service") upon execution of this Authorization to Order. A description of the Service, applicable rates and charges and the specific terms and conditions under which the Service will be provided to Municipalities of the State (e.g., cities, counties, school districts and other such entities of the State) are fully set forth in the Agreement.

1. CITY OF LODI desires to order the Service(s) identified in Attachment 1 to this Authorization to Order, which is incorporated herein by reference, and Contractor agrees to provide such Service(s) pursuant to this Authorization to Order and the terms and conditions and rate tables contained in the Agreement. Municipality agrees, with respect to the specific Service identified in Attachment 1, to utilize the Agreement as Municipality's single source for procuring the particular Service Identifier (e.g., Local Usage, Centrex, Dedicated Services, Building Wiring, Pacific Bell Voice Mail) listed in the applicable Service Categories (i.e., Line Side Products and Services, Voice Network Products and Services, Data Products and Services, Additional Required Products and Services, and Other Services) during the term of the Authorization to Order. For example, if Municipality selects the Service Category Data Products and Services and the Service Identifier Dedicated Services, Municipality is agreeing to utilize the Agreement as Municipality's single source for procuring all Dedicated Services and services possessing largely equivalent applications to the Dedicated Services.

2. Contractor shall bill Municipality and Municipality shall pay Contractor pursuant to this Authorization to Order and the terms and conditions and rate tables contained in the Agreement.

3. This Authorization to Order shall become effective upon execution by Municipality, Contractor, and the Department of General Services, Telecommunications Division ("Effective Date"). Upon the Effective Date, this Authorization to Order supersedes and replaces in its entirety the Authorization to Order dated November 10, 2000, issued under the Agreement. Unless sooner terminated as provided herein, this Authorization to Order shall remain in effect for the term Municipality has indicated below (check one).

  X   Three-years from the Effective Date, but not beyond December 3, 2008. This Authorization to Order is subject to one year extensions, but in no event shall any such extension extend beyond December 3, 2008. Contractor shall provide Municipality with 60 days' notice of the scheduled expiration date and the intended extension of the Authorization to Order. Each one year extension will occur automatically unless Municipality provides Contractor with written notice of Municipality's intent not to renew this Authorization to Order at least 30 days' prior to the scheduled expiration date of this Authorization to Order. Any work in progress or Service provided under this

Revised: Amendment No. 11

**PACIFIC BELL MCI**

Authorization to Order at the time the Agreement expires or is terminated shall be handled as set forth in the second paragraph of Section 4 below.

\_\_\_\_\_ This Authorization to Order shall continue in effect from the Effective Date through the remainder of the term of the Agreement. In the event Contractor and the State extend the term of the Agreement, Contractor shall provide Municipality with 60 days' notice of the intended extension of the Agreement. The term of this Authorization to Order will be automatically extended to match the new term of the Agreement unless Municipality provides 30 days' notice to Contractor prior to the automatic extension of its intent not to renew this Authorization to Order. Any work in progress or Service provided under this Authorization to Order at the time the Agreement is terminated shall be handles as set forth in the second paragraph of Section 4 below.

\_\_\_\_\_ years from the Effective Date, but not beyond December 3, 2008. (Applies only to Services with term pricing as specifically authorized in the applicable Rider B and Rider C.) This Authorization to Order is subject to one year extensions, but in no event shall any such extension extend beyond December 3, 2008. Contractor shall provide Municipality with 60 days' notice of the scheduled expiration date and the intended extension of the Authorization to Order. Each one year extension will occur automatically unless Municipality provides Contractor with written notice of Municipality's intent not to renew this Authorization to Order at least 30 days' prior to the scheduled expiration date of this Authorization to Order. Any Services with term pricing provided under this Authorization to Order at the time the Agreement expires or is terminated shall be handled as set forth in the second paragraph of Section 4 below.

4. A. If Municipality, prior to the expiration of the term set forth in preceding paragraph, (i) terminates this Authorization to Order, (ii) disconnects over 50% of a particular Service provided pursuant to this Authorization to Order, or (iii) disconnects any portion of a Service provided pursuant to this Authorization to Order and replaces the disconnected Service with a different service/functionality in violation of Section 1 above, Municipality shall pay one of the following termination charges: (a) if Municipality terminated all of a particular Service, a termination charge based on 65% of the Municipality's highest bill for the disconnected Service provided hereunder multiplied by the number of months remaining in the term of this Authorization to Order, plus any unrecovered nonrecurring charges owed to Contractor on the date of termination; or (b) if Municipality terminated less than all of a particular Service, a termination charge based on the monthly charges for the terminated Service multiplied by the number of months remaining in the term of this Authorization to Order, plus any unrecovered nonrecurring charges owed to Contractor on the date of termination. Notwithstanding the preceding sentence, no termination charge shall apply if all existing traffic volumes carried by the terminated service has been migrated to a like-Service offered under this Agreement.

Notwithstanding the preceding sentence, if the State terminates the Agreement, in whole or in part, prior to the expiration of this Authorization to Order, Municipality may, with respect to the Service terminated by the State, (i) continue to subscribe to the Service under the terms of the Agreement for the remainder of the term of this Authorization to Order, (ii) terminate the Service without term pricing under this Authorization to Order without being subject to the termination charge set forth above, or (iii) terminate the Services with term pricing under this Authorization to Order and be subject to the termination charge set forth above.

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B. Notwithstanding the first sentence in Section 4.A. above, if, after the first fiscal year in which a particular Service acquired hereunder is installed, funds are not appropriated to continue paying for that particular Service in a subsequent fiscal year or universal service discounts are not received to enable Municipality to pay for that particular Service in a subsequent year, then Municipality may terminate this Authorization to Order as it relates to that particular Service as of the last day for which funds were appropriated or universal service discounts were received ("Date of Termination"), without being subject to the termination charge set forth above; provided, however, that Municipality shall be obligated to pay all charges incurred through the Date of Termination, plus any unrecovered nonrecurring charges which may be owed Contractor on the Date of Termination. Municipality shall use its best efforts to obtain funding or universal service discounts for the particular Service provided hereunder.

(i) If the federal universal service discount program is discontinued, Municipality may terminate this Authorization to Order as set forth in Section 4.B. above.

(ii) If Municipality exercises its right to terminate this Authorization to Order for non-appropriation or ineligibility to receive universal service discounts under the then current program, Municipality agrees not to obtain substantially similar equipment and/or services to replace those provided hereunder for one year following the Date of Termination. Municipality may exercise such right to terminate upon delivery to Contractor of a 30 day written notice setting forth the reason for termination and within 30 days following the delivery of such written notice, Municipality shall provide Contractor a legal opinion of counsel that no funds have been appropriated or otherwise made available for payments due under this Authorization to Order or that Municipality is ineligible to receive universal service discounts under the Agreement and funds have not been made available for the acquisition of substantially similarly equipment and/or services to replace those provided hereunder.

5. Municipality, upon execution of this form, certifies that Municipality understands that Contractor and the State may, from time to time and without Municipality's consent, amend the terms and conditions of the Agreement thereby affecting the terms of the Service Municipality receives from Contractor. Municipality further understands that the State will have access to all billing information, including that of the Municipality, for the sole purpose of conducting audits pertaining to Contractor's performance under the Agreement.

6. Municipality, upon execution of this form, certifies that Municipality has received and has reviewed the terms and conditions, including the rates and charges, of the Agreement.

7. Whenever any notice or demand is to be given under this Agreement to Contractor or Municipality, the notice shall be in writing and addressed to the following:

Municipality:  
CITY OF LODI  
221 West Pine Street, P.O. Box 3006  
Lodi, CA 95241-1910  
Attn: Mark White

Contractor:  
Pacific Bell/MCI  
610 Sequoia Pacific Blvd.  
Sacramento, CA 95814  
Attn: Contract Program Manager

Revised: Amendment No. 11

**PACIFIC BELL** **MCI**



Notices delivered by overnight courier service (U.S. Express Mail, Federal Express, Purolator or Airborne) shall be deemed delivered on the day following mailing. Notices mailed by U.S. Mail, postage prepaid, registered or certified with return receipt requested, shall be deemed delivered five (5) days after mailing. Notices delivered by any other method shall be deemed given upon receipt.

IN WITNESS WHEREOF, the parties hereto have caused this Authorization to Order to be executed on the date shown below by their respective duly authorized representatives.

CONTRACTOR

CITY OF LODI

(Municipality)

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_


Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Approved By:  
Department of General Services,  
Telecommunications Division

Approved as to form

Deputy City Attorney 

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

Revised: Amendment No. 11

PACIFIC BELL MCI

CITY OF LODI

ATTACHMENT 1

Services Selected	VOICE NETWORK – PRODUCTS AND SERVICES	Customer Initials
X	Local Usage	x
	Group Video	
	Advanced Intelligent Network (CVN)	
Services Selected	LINE SIDE – PRODUCTS AND SERVICES	Customer Initials
X	Bus Access Lines	x
X	ISDN	x
	Centrex	
	ACD (Centrex)	
	Acct. Codes	
X	PBX Trunks	x
X	SuperTrunk	x
	CompuCall	
Services Selected	DATA – PRODUCTS AND SERVICES	Customer Initials
X	Dedicated Services: Analog Circuits, Adv. Digital Network, HICAP/T1, DS3, SONET Circuit Svc.	x
	SONET Dedicated Ring (ICB)	
X	PRI ISDN	x
X	Frame Relay & ATM: Frame Relay, ATM	x
	Managed Frame Relay	
	DSL	
Services Selected	ADDITIONAL REQUIRED – PRODUCTS AND SERVICES	Customer Initials
	Bldg. Wiring Services: Wiring, Jacks Inside Wire Repair Plan (Voice) Inside Wire Repair Plan (Data)	
X	Billing Products	x
Services Selected	OTHER SERVICES – PRODUCTS AND SERVICES	Customer Initials
X	Pacific Bell Internet Services	x
	Pacific Bell Information Services IVR/Call Router	
	Pacific Bell Information Services Voice Mail	

Revised: Amendment No. 11

**PACIFIC BELL** **MCI**

RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY  
MANAGER TO EXTEND THE CURRENT CONTRACT WITH SBC UNDER  
THE TERMS OF THE STATE OF CALIFORNIA CALNET CONTRACT  
FOR THREE YEARS FOR TELEPHONE SERVICES AND HARDWARE  
ENDING NOVEMBER 2008

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby  
authorize the City Manager to extend the current contract with SBC of Stockton, under the  
terms of the State of California CALNET contract, for a period of three years for telephone  
services and hardware ending November 2008.

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City  
Council of the City of Lodi in a regular meeting held December 21, 2005, by the following  
vote:

AYES: COUNCIL MEMBERS –  
NOES: COUNCIL MEMBERS –  
ABSENT: COUNCIL MEMBERS –  
ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



## CITY OF LODI COUNCIL COMMUNICATION

TM

**AGENDA TITLE:** Adopt resolution ratifying Purchasing Policies and Procedures

**MEETING DATE:** December 21, 2005

**PREPARED BY:** James R. Krueger, Deputy City Manager

---

**RECOMMENDED ACTION:** That the City Council adopt resolution ratifying Purchasing Policies and Procedures

**BACKGROUND INFORMATION:** City Council adopted Ordinance 1763 on September 7, 2005, which amended Lodi Municipal Code, Title 2, Administration and Personnel, by repealing and reenacting chapter 2.12.060(T) relating to the contract authority of the City Manager; and Title 3, Revenue and Finance, by repealing and reenacting Chapter 3.20 relating to the purchasing system. These Municipal Code sections needed to be changed in order to clarify and update the responsibilities and authority for purchasing policy. At the time the ordinance to amend the Code sections was introduced to Council, it was communicated by staff that a policy and corresponding policies procedures would follow the ordinance for ratification and approval at a later date.

Exhibit A of the resolution identifies purchasing policies and procedures that are needed in order to implement Municipal Code Sections 2.12.060 and 3.20. These policies are intended to be guidelines for conducting the purchase of goods by City Staff. Additionally, the detailed listing, which is not exhaustive, is intended to provide practical examples and correlated methods to be followed in the bidding, contracting and purchase of goods and services by the City of Lodi. Prior to this, the guidelines associated with the "who," "when," and "where" of purchasing procedures were informal in nature and not always uniformly implemented by departments. The purpose of these formal policies and procedures is to provide formal guidelines to be implemented on a uniform basis by all City departments. These policies and procedures have been reviewed by the appropriate staff at all departments. In addition there has been and will continue to be ongoing training provided by the Purchasing Division to ensure understanding of the practices and procedures and to review adherence to the policy guidelines. It is anticipated that the policies and procedures will periodically need to be revised. The policy contains a stipulation that the City Manager may make minor changes to the policy without obtaining prior City Council approval. However, all changes of a significant nature will be brought back to City Council for ratification as deemed necessary and appropriate.

Staff is recommending that Council ratify the Purchasing Policy and Procedures by resolution and that any future substantive changes to policy be ratified by Council as deemed appropriate by the City Manager. It is not anticipated that future changes would not need to be ratified any more often than once per fiscal year. These changes could accompany the budget process since that budget process and the purchase of goods and services are so closely aligned with each other.

**FISCAL IMPACT:** Indeterminate.

**FUNDING:** None required.

---

James R. Krueger, Deputy City Manager

---

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager



RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY  
COUNCIL RATIFYING PURCHASING  
POLICIIES AND PROCEDURES

=====

WHEREAS, the Lodi City Council adopted Ordinance No. 1763 amending Lodi Municipal Code, Title 2, Administration and Personnel, by repealing and reenacting Chapter 2.12.060(T) relating to the contract authority of the City Manager and Title 3, Revenue and Finance, by repealing and reenacting Chapter 3.20 relating to the purchasing system; and

WHEREAS, it is necessary for the orderly conduct of business that policies and procedures be ratified to ensure that all purchases and procurement of goods and services be done in a manner that is uniformly followed by all City Departments; and

WHEREAS, adoption of this Resolution will formalize the practices to be followed for the procurement of goods and services by all City Departments; and

WHEREAS, it will be periodically necessary to make administrative changes to these Purchasing Policies and Procedures that will not constitute major revisions to these Policies and Procedures; and

WHEREAS, the Policy contains a stipulation that the City Manager may make minor changes to the policy without obtaining prior City Council approval, with any changes of significant nature brought before the City Council for ratification as deemed necessary and appropriate; and

WHEREAS, staff recommends that the City Council ratify the Purchasing Policy and Procedures by adoption of this Resolution, with any substantive changes to policy being ratified by the City Council as deemed appropriate by the City Manager.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby ratify the Purchasing Policies and Procedures as shown on Attachment A of this resolution and authorizes the City Manager to make administrative changes, which do not constitute material revisions to the Municipal Code or said Policies and Procedures, as needed and to foster uniform adherence of said policies by City Departments.

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the Lodi City Council in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_

City of Lodi  
Purchasing Policies and Procedures

Revised		
Approved		
Approved		

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Revised		
Approved		
Approved		

## Purpose and Goals

### Purpose and Goals

Section 3.20 of the Lodi Municipal Code authorizes a purchasing division that is part of the Finance Department. The Code outlines the authorities and responsibilities of the Purchasing Officer or designee to negotiate or contract for purchase of supplies, materials and equipment required by City departments. The guiding principles of those involved in the purchasing function should be:

- To comply with State and Federal laws, the City's Municipal Code, Purchasing Policies, and adopted budget on all purchases and contracts.
- To procure the supplies, services and equipment needed by the departments at the lowest possible cost, taking into consideration quality, service levels, and time constraints.
- To act in a professional and ethical manner.

### Administration

Administration of these Policies and Procedures shall be by the City Manager with assistance and cooperation of the Deputy City Manager, City Attorney and Department heads. Major changes to these policies and procedures shall be approved by the City Council; minor changes may be approved by the City Manager as deemed necessary. The City Manager will annually report to the City Council a summary of such changes made during the prior twelve months.

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Approved		

## Ethics

The purpose of this section is to provide a general code of conduct for all personnel who may be engaged in the City's purchasing function. It is essential that all personnel involved in the procurement process conduct themselves in a manner that maintains impartiality and complete objectivity, to meet the continuing scrutiny of suppliers and the public. In dealings with the business community, it is necessary to exercise a strict rule of personal conduct to ensure that business relations are not compromised or even have the appearance of being compromised. The City's reputation for fairness and integrity in dealing with suppliers and others must always be maintained.

The following are the City's standards in ethics for purchasing:

- To regard public service as a sacred trust, giving primary consideration to the interest of the City.
- To purchase without prejudice, and to buy on the basis of value, recognizing that value represents a combination of quality, service and price which assures the greatest economy to the City.
- To recognize that permanent business relationships should be established on the basis of honesty and fair dealings.
- To be courteous and considerate in all City dealings.
- To honor our obligations and require that obligations to the City be honored.
- To accord supplier representatives courteous treatment, remembering that these representatives are important sources of information and assistance in solving the City's needs.
- To be prompt in all appointments and to negotiate with reasonable speed.
- To avoid statements that might injure or discredit legitimate suppliers and to avoid disclosure of confidential information that might give an unfair advantage in a competitive business transaction.
- To recognize that character is an important asset in commerce and should be given major consideration in the selection of sources of supply or service.
- To adjust claims and settle disputes on the basis of facts and fairness.
- To be cognizant of the limitations regarding accepting of gratuities or accommodations from vendors or suppliers in accordance with the City policy for conflict of interest disclosures requirements.

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Approved		

## Department & Purchasing Responsibilities

### *Department Responsibilities*

- To anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with the best purchasing practices.
- To not split orders for the purpose of avoiding purchasing requirements.
- To provide detailed, accurate specifications to ensure goods obtained are consistent with requirements and expectations.
- To prepare requisitions in accordance with instructions so as to minimize the processing effort
- To minimize urgent and sole source purchases and to provide written documentation when such purchases may be necessary.
- To consider the use of recycled products when it is practical and economically feasible.
- When purchasing materials, equipment, supplies and services independent of the Purchasing Division and on behalf of the City, to comply with all laws, policies and procedures governing the purchase.

### *Purchasing Responsibilities*

- The Purchasing Division is responsible for the procurement of general supplies, services and equipment, the administration of the purchasing policy, and the management of surplus city property.
- To provide clear, concise and timely instructions to departments and staff with delegated purchasing tasks and responsibilities.
- Ensure full and open competition on all purchases as required by this policy.
- Coordinate vendor relations, locate sources of supply and evaluate vendor performance.
- Recommend revisions to purchasing procedures when necessary and keep informed of current developments in the field of public purchasing.
- Prescribe and maintain all forms and records necessary for the efficient operation of the purchasing function
- Act as the City's agent in the transfer and disposal of surplus equipment and materials.

Revised		
Approved		
Approved		

### **Purchasing Cycle**

The purchasing cycle establishes the proper steps for Lodi department staff to follow when requisitioning supplies, materials and equipment; public works projects; and/or professional service contracts.

#### ***The Budget***

The first step in the purchasing cycle is the approval of the City's budget by City Council. The budget authorizes the City Manager and designees to purchase the materials, supplies, services, and equipment in the line item budget document. Purchases for certain dollar amounts are subject to further rules, such as for department head level approvals, City Manager approvals, Council approvals, and/or bidding requirements.

#### ***Method of Purchase***

As the second step, the department will choose the method of purchase according to the type and dollar value of purchase. The different methods of purchasing include petty cash, CAL-Card purchase, purchase order, or a contract, which may also require a purchase order.

#### ***Receiving and Acceptance***

The receiving and acceptance functions represent the final phase in completing the purchasing cycle. At this point, the product or service is either accepted or rejected, based on the quantity, quality, and/or delivery compliance of the item(s). After this phase, payment authorization can proceed.

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Revised		
Approved		
Approved		

## Purchase of Recycled Products

### ***Benefits of Purchasing Recycled Products***

Purchasing recycled products benefits the City in a variety of ways. In purchasing recycled materials that would otherwise become trash, we help reduce the amount of waste taken to landfills, conserve the use of raw materials, and encourage the market development of other recycled products. The City's public image is also enhanced by a proactive approach to waste management and environmental concerns. The City of Lodi encourages each department to evaluate opportunities to purchase recycled products whenever it is feasible and fiscally prudent to do so. The City also encourages its vendors and consultants to specify and use recycled products whenever practical to fulfill contractual obligations.

### ***Definitions***

**Recycled** material is waste and by-products that have been recovered or diverted from the solid waste stream and that can be utilized in place of raw material in the manufacturing of a product. Recycled materials may consist of materials derived from post-consumer waste, manufacturing waste, industrial scrap, agricultural wastes and other items, all of which can be used in the manufacture of new products.

**Pre-consumer** material or by-products are generated after the manufacture of a product is completed, but before the product has reached the end-use consumer. Examples of pre-consumer recovered materials include obsolete inventories of finished goods, rejected unused stock, and paper wastes generated during printing, cutting and other converting operations.

**Post-consumer recycled** materials are finished products that have served the intended use and would normally be disposed of as solid waste. Examples of post-consumer recovered materials include old newspapers, office paper, yard waste, steel, glass, aluminum cans, plastic bottles, oil, asphalt, concrete and tires.

### ***Criteria for Selecting Recycled Materials for Purchase***

If a decision has been made to purchase recycled materials, the recommended products should contain, in order of preference, the highest percentage of recycled content of post-consumer recovered material available in the marketplace, and the highest percentage of pre-consumer recovered material available in the marketplace.

Recycled products should also be expected to perform as well as non-recycled products, to be purchased at a reasonable price and to be available within a reasonable time period. In addition to the recovered material content of a product, important criteria in selecting products should also be the ability of the product and its packaging to be reused, reconditioned for use or recycled through existing recycled collection programs. Preferred products and packaging are those designed to minimize waste and toxic byproducts in their manufacture, use, and disposal.

Whenever printed recycled paper products are purchased, the standard phrase "Printed on Recycled Paper" and/or the standard recycle logo should be included on the printed product, thereby promoting the use of post-consumer content.

Revised		
Approved		
Approved		

## Section II - Purchasing Authorities

Purchasing authority is governed by and granted by the Lodi Municipal Code Sections 2.12.060 and 3.20, and by the Codes of the State of California.

Annually, prior to the beginning of the fiscal year, the City Manager will submit to the City Council the recommendations for delegation of certain purchasing authority to department directors and staff. Such purchase authority, if granted by Council, will be in effect for the next fiscal year. The Delegation of Purchasing Authority submittal form prepared by City departments for City Manager review and submission to City Council is attached at Exhibit B.



Revised		
Approved		
Approved		

### Section III -Methods of Purchasing

**Table 3-1**  
**Purchasing Guidelines**  
**Materials, Supplies, Equipment, Services, and non-Public Works Projects**

The following table provides an overview regarding the purchasing guidelines for materials, supplies, equipment and services.

Examples of purchases in these categories would be utility inventory items, sand and gravel, auto parts, power and hand tools, electronic hardware and software, janitorial supplies, office supplies, printing, office furniture, vehicles<sup>1</sup>, janitorial and landscape services.

\$500 and less	<ul style="list-style-type: none"> <li>• Bidding or competitive quotes at the discretion of the department</li> <li>• Department selects supplier</li> <li>• Department obtains verbal or written quote or proposal</li> <li>• Authorized personnel may use CAL-Card, or</li> <li>• Department may forward <u>requisition</u><sup>3</sup>, with product numbers, specifications, or other detailed description, to Purchasing Division for sourcing, or</li> <li>• Department may initiate the <u>purchase order process</u><sup>2</sup>.</li> </ul>
\$500.01 - \$1,000	<ul style="list-style-type: none"> <li>• No advertising is required.</li> <li>• A minimum of three informal bids, proposals or quotes is <u>required</u><sup>4</sup>. Offers may be written or verbal. Emailed quotes are acceptable.</li> <li>• Department may initiate the <u>purchase order process</u><sup>2</sup>, or</li> </ul> <p>Department may forward <u>requisition</u><sup>3</sup>, with product numbers, specifications, or other detailed description, to Purchasing Division for sourcing.</p>

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Table 3-1 (continued)

\$1000.01-\$20,000	<ul style="list-style-type: none"> <li>• No advertising is required.</li> <li>• A minimum of three informal bids, proposals or quotes is <u>required</u><sup>4</sup>. Offers must be in writing. FAXed or emailed quotes are acceptable.</li> <li>• Department may initiate the <u>purchase order process</u><sup>2</sup>, or</li> <li>• Department may forward <u>requisition</u><sup>3</sup>, with product numbers, specifications, or other detailed description, to Purchasing Division for sourcing.</li> </ul>
Over \$20,000	<ul style="list-style-type: none"> <li>• Formal bid <u>process</u><sup>5</sup> is required.</li> <li>• Department prepares bid specifications or project plans and specifications.</li> <li>• Department prepares Council Communication requesting Council to approve plans and specifications, and further requesting Council's authorization to proceed with formal bid process.</li> </ul>

**Notes to Table 3-1:**

1. **Vehicles:** See Lodi Municipal Code Section 3.20.130 and the Fleet Policy and Procedures Manual
2. **Purchase Order Process** – Page 13
3. **Requisition** – Page 22
4. **Requirement: 3 quotes.** See Lodi Municipal Code Section 3.20.110(A) for clarification
5. **Formal Bid Process** - See Lodi Municipal Code Section 3.20.100

[▲ Back to Table 3-1](#)

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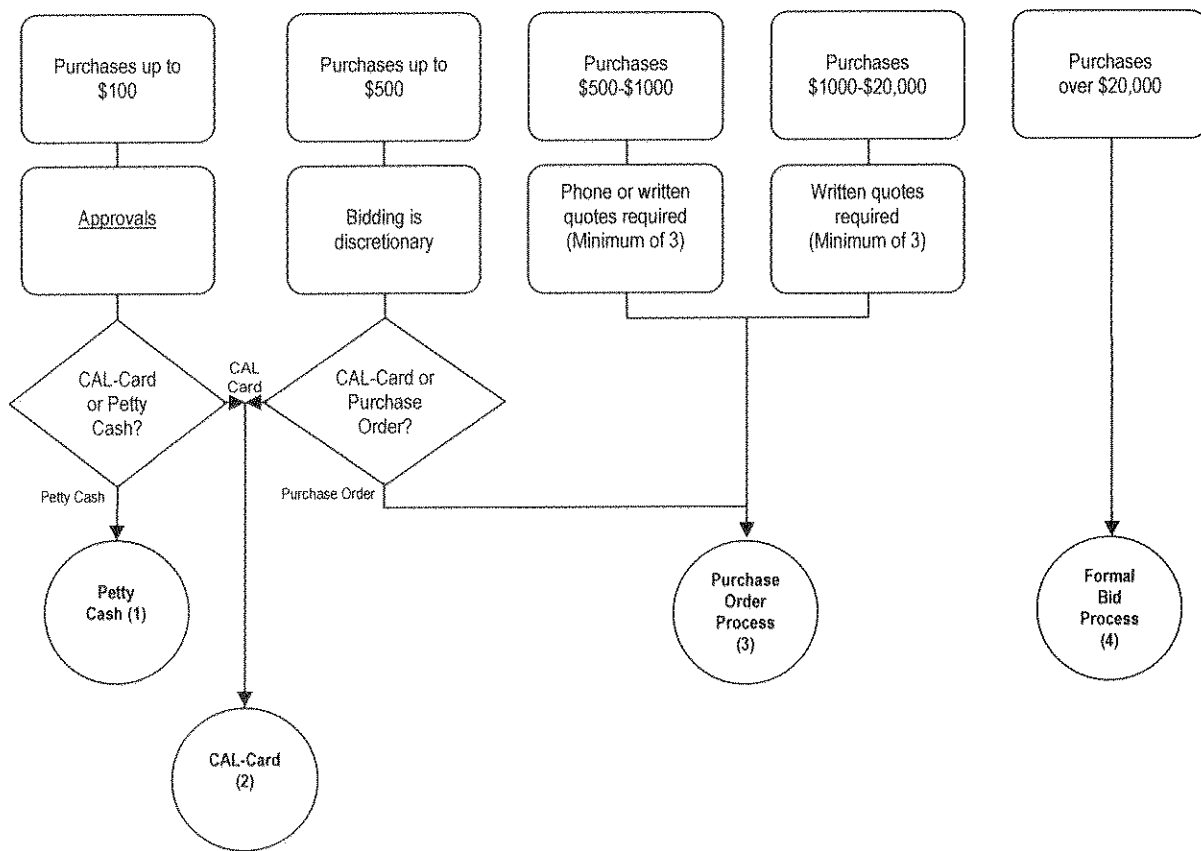
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Purchase of materials, equipment, supplies and services shall be made by one of the following methods:

Written Contract  
Written Purchase Order  
Procurement Card (CAL-Card) - under \$500 only  
Petty Cash - under \$100 only

**Table 3-2  
Materials, Supplies, & Equipment Flowchart**



**Notes to Table 3-2:**

- (1) Petty Cash Procedure – See Page 11
- (2) CAL-Card Procedure – See Page 12
- (3) Purchase Order Process – See Page 13
- (4) Formal Bid Process

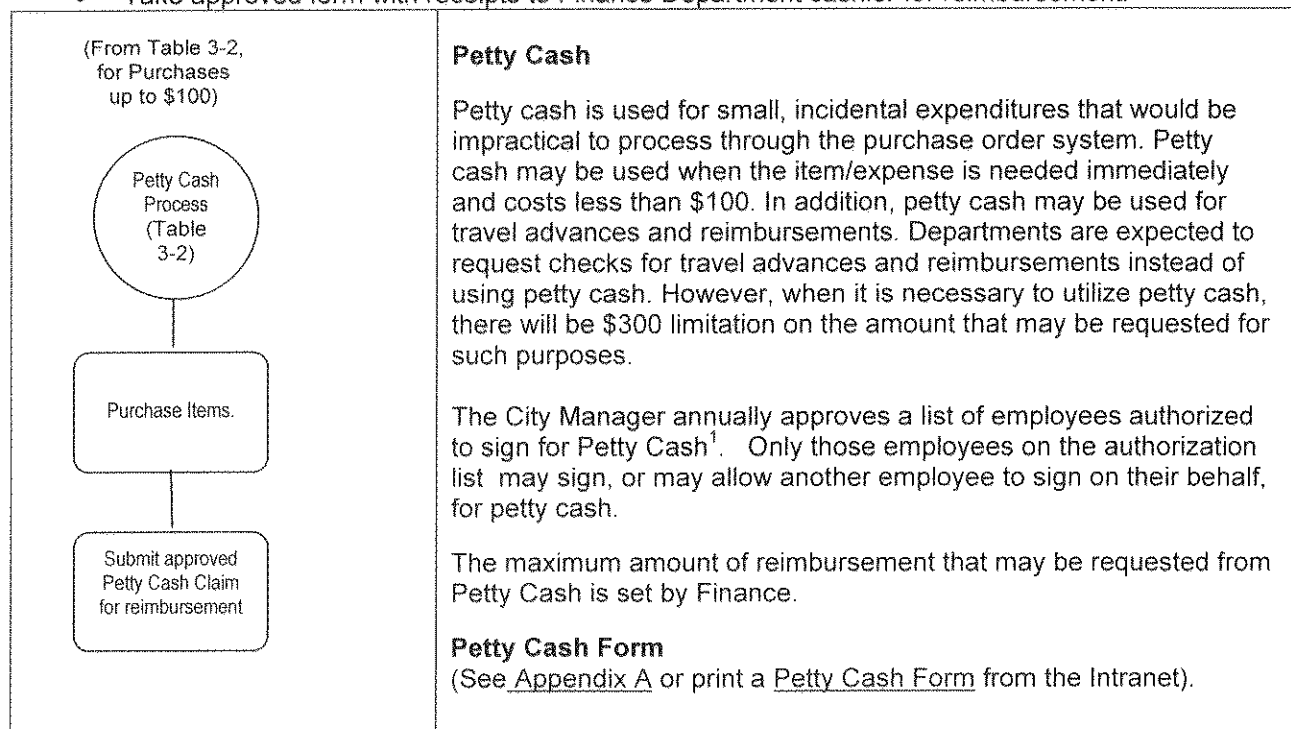
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### Section III – Methods of Purchasing (continued)

#### Petty Cash

The purchase of materials, supplies, and small tools and equipment costing \$100 or less may be made at a local business through a cash purchase by an authorized employee.

- Purchase item with cash.
- Request a printed receipt from the retailer which indicates a "Cash" purchase.
- Circle the total amount paid in cash.
- Fill out a Petty Cash form (See Appendix A or print a Petty Cash Form from the Intranet), indicating name of employee, date, and amount of purchase(s).
- Forward Petty Cash Form to department approving official<sup>1</sup> for account number assignment and approval.
- Take approved form with receipts to Finance Department cashier for reimbursement.



#### Petty Cash Claims

After making a cash purchase, employee must prepare the Petty Cash form by attaching the purchase receipt to the Petty Cash form, fill in employee's name, the date, the dollar amount requested for reimbursement, and the reason for the request (item purchased). The Petty Cash form and attached receipt are then presented to the employee's department head or other department approving official<sup>1</sup> for review, assignment of account number, and signature approval. When a department head is requesting a petty cash reimbursement for himself (herself), another department staff person will counter sign the petty cash claim form. The approving official can either present the approved Petty Cash form with receipts at the Cashier's window in Finance, or can sign a separate form authorizing the employee to present the Petty Cash request to the cashier's window in Finance and sign for reimbursement.

**Note(s): Definition**

1) Approving official. Person authorized by City Manager to sign for Petty Cash.

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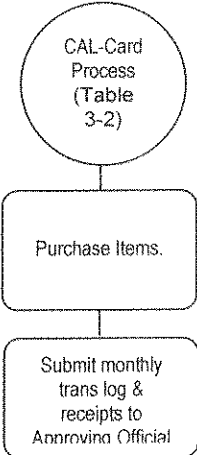
### Section III – Methods of Purchasing (continued)

#### CAL-Card

The purchase of materials, supplies, and small tools and equipment costing \$500 or less may be made by an authorized employee in person or by phone, using the CAL-Card Procurement Card..

CAL-Card policies and procedures are established and governed by the CAL-Card Administration Manual.

CAL-Card Procurement cards are issued to employees authorized by Resolution of the City Council. Cards shall be safeguarded and used with the same care as one would exercise with a credit card or with cash. There are limitations on their use, both in dollar amounts and in types of transactions. They are not transferable from one employee to another.

<p>(From Table 3-2, for Purchases up to \$500)</p>  <pre> graph TD     A((CAL-Card Process (Table 3-2))) --- B[Purchase Items.]     B --- C[Submit monthly trans log &amp; receipts to Approving Official] </pre>	<p><b>CAL-Card</b></p> <p>CAL-Card Procurement Cards are used for low-cost expenditures that would be impractical to process through the purchase order system. CAL-Cards may be used when the single purchase amount equals less than \$500. Purchases may not be split to avoid the \$500 limit.</p> <p><b>Purchase Process:</b></p> <p>The CAL-Card is used like a credit card, except it can be used only for specific types of purchases, and transaction and per-month dollar limits are established for each card. The CAL-CARD may be used for phone and internet purchases similarly to credit cards.</p> <p>For each purchase made using a CAL-Card the employee shall obtain a receipt, either in person or by mail, for the transaction. Each month, the Bank will mail a detailed statement to each cardholder listing purchase transactions. Cardholder must match each purchase transaction listed on the invoice with each transaction log entry and merchant receipt to verify accuracy of the statement.</p>
<p>Cardholder will prepare the Monthly CAL-Card Reconciliation, attach transaction log, CAL-Card statement and receipts, and forward to Approving Official for review and signature. Approving Official will forward all documents to Accounts Payable for payment.</p> <p>The CAL-Card program offers rebates for prompt payment of invoices, and invokes penalties for late payments. It is the City's policy to pay invoices as expeditiously as possible.</p>	

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### Section III – Methods of Purchasing (continued)

#### Purchase Order Process

The Purchase Order Process for purchases in amounts between \$500 and \$20,000 may be handled either by the department requesting the goods or services (Requestor), or forwarded to the Purchasing Division of the Finance Department for processing.

Purchases handled by the Requestor:

- 1) Identify sources (see page 15 - 1. "[Source Identification](#)")
- 2) Obtain price quotes (see page 15 – 2. "[Obtain and Evaluate Price Quotes](#)")
- 3) Evaluate price quotes (see page 17 – 3. "[Quote Evaluation](#)")
- 4) Prepare purchase order in JDEdwards (see page 19 – 4. "[Prepare Purchase Order in JDEdwards](#)")
- 5) Issue purchase order to successful bidder (see page 20 – 5. "[Issue Purchase Order](#)")
- 6) Distribute copies of PO (see page 20 – 6. "[Distribute Purchase Order Copies](#)")
- 7) Receive and inspect goods (or evaluate services). (see page 21 – 7. "[Receive and Inspect](#)")

Purchases requests forwarded to the Purchasing Division for processing:

- 1) Requestor prepares purchase requisition, obtains approvals, forwards requisition to Purchasing
- 2) Purchasing identifies sources (see page 15 - 1. "[Source Identification](#)")
- 3) Purchasing obtains and evaluate price quotes (see page 17 – 3. "[Quote Evaluation](#)"); reviews prices with Requestor if asked;
- 4) Purchasing prepares purchase order in JDEdwards (see page 19 – 4. "[Prepare Purchase Order in JDEdwards](#)")
- 5) Purchasing issues purchase order to successful bidder
- 6) Purchasing distributes copies of Purchase Order
- 7) Purchasing receives and inspects goods, delivers goods to Requestor; Requestor receives services and advises Purchasing of completion.

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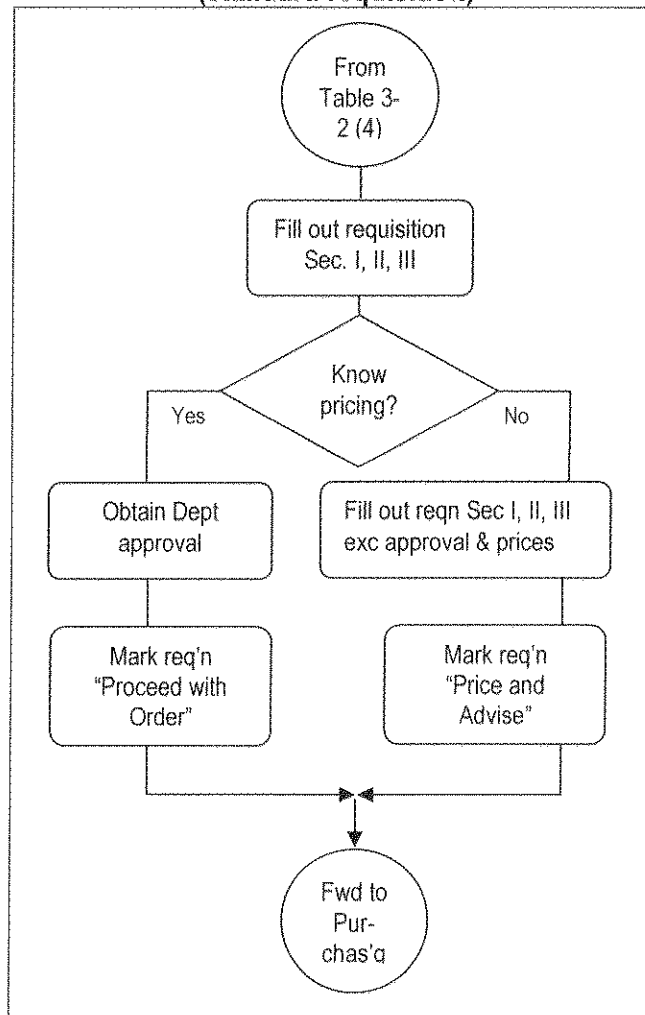
### Section III – Methods of Purchasing (continued)

#### Purchase Order Process (continued)

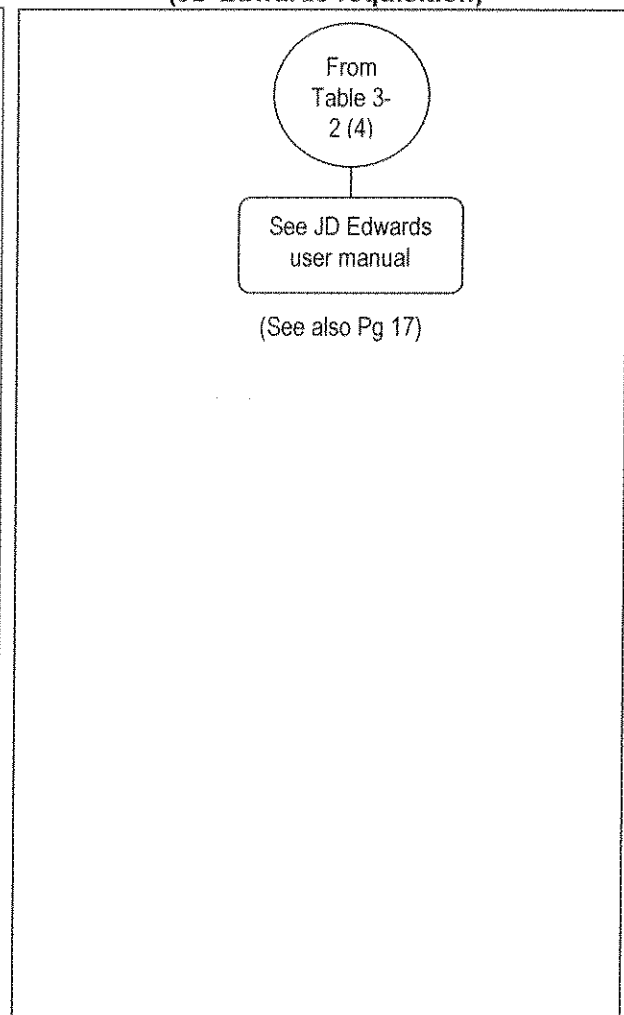
If purchase is to be handled by the Purchasing Division, refer to the Departmental Request Process defined below.

If purchase is to be handled by the Requestor, the Departmental Purchase Process applies.

#### Departmental Request Process (standard requisition)



#### Departmental Request Process (JD Edwards requisition)



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### Section III – Methods of Purchasing (continued)

#### Purchase Order Process (continued)

If purchase is to be handled by the department requiring the goods or services (Requestor), the Departmental Purchase Process defined below applies.

#### Departmental Purchase Process

##### 1. Source Identification

Potential sources of supply may be identified using any, or all, of the following methods:

- a. Previous supplier(s)
- b. Suppliers included on Bidder list
- c. Call the manufacturer, or browse manufacturer's website, for a list of authorized dealers or distributors
- d. Internet search (Google, Froogle)
- e. Contact other users, both internal and external (other cities or agencies)

City Code requires obtaining quotes from at least three (3) suppliers, whenever possible.

##### 2. Obtain Price Quotes

City Code requires obtaining at least three (3) independent quotes, whenever possible (Sec. 3.20.110(A))

Quotations for purchases in amounts greater than \$1,000 must be in writing (City Code Sec. 3.20.110(B))

*[In instances where goods or services may be obtained from only one supplier ("sole source"), or product has been standardized through action of the City Council, completion of the "Sole Source Justification" form is required. Price quote must be obtained from the one supplier. It is the responsibility of the requestor to determine whether the price quoted is "Fair and Reasonable". Negotiation of prices for goods, services, shipping, handling, and installation is allowed and encouraged. Requestors are also encouraged to compare quoted prices with prices paid by other agencies, if possible. When there is a preference for one brand name; and where two or more suppliers for this same brand are available, there shall not be a determination of sole source. In such cases there shall still be quotes from the suppliers to determine the best value for that product. ]*

Library Materials and services will be procured in a manner consistent with practices generally associated with obtaining such materials in other venues. This may include developing relationships with suppliers and over the term of fiscal year. The Library Director and staff with authority as delegated by the Library Director will provide to the City Manager a list of the vendors, items to be procured and the annual budget for these materials.

Other items that are subject to practices and procedures that do not easily fit within the parameters as established by the policies as outlined herewith may be purchased with City Manager approval. These exceptions may include but are not limited to such items as bulk oil, gasoline, automobile parts and tools, fasteners and items stocked in bins and provided by vendors as needed. A list of these items will be provided to the City Manager (along with an estimated budget) on an annual basis.



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**Section III – Methods of Purchasing (continued)**

**Purchase Order Process (continued)**

Quotes may be obtained using any of the following methods:

- a. Telephone (request written response for amounts greater than \$1,000)
- b. FAX
- c. Email
- d. Mail

Catalog prices (from either a printed copy of a catalog or internet prices) are not considered valid quotes unless the catalog reflects actual contract prices (examples: Office Depot, Office Max)

It is not acceptable to “shop” prices, that is, to use one bidder’s quote as a maximum price and ask other bidders to “meet or beat” it.

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### Section III – Methods of Purchasing (continued)

#### Purchase Order Process (continued)

#### Departmental Purchase Process (continued)

#### 3. Evaluate Quotes

Evaluation of quotes requires consideration of the following criteria:

- a. Are the quotes based on equal specifications (same product model or product number, or approved equal), as well as equal quantities of the products?
- b. Do all quotes include a cost for shipping (either included in product pricing, or stated separately)? (See discussion about **FOB Point** below)
- c. Do all quotes include sales or use tax? (Even if bidder doesn't quote sales or use tax, if the product is taxable tax must be included in the evaluation). See discussion about **Local Vendors** below.
- d. Do some suppliers offer discounts for prompt payment? (Example: 2% 20 Net 30 – See discussion about **Payment Discounts** on page 18)

Prepare a quote summary including criteria 'a' through 'd' above

#### **FOB Point**

FOB ("Free on Board") refers to the transfer of responsibility for the goods purchased by the City.

"FOB Origin" or "FOB Shipping Dock" means the seller's responsibility for the goods ends when the goods are delivered to the transportation company at the seller's facility. If we refuse to take delivery of goods shipped FOB Origin we are legally responsible for any charges the transportation company incurs in further handling or storage, whether or not the goods were damaged, the order was duplicated, or the order was "cancelled". Transportation of goods shipped "FOB Origin" via a company other than the seller is not taxable.

"FOB Delivered" or "FOB Our Dock" means the seller is responsible for the transportation of the goods, and for safe delivery of the goods to our warehouse or dock. Transportation charges are often included in the cost of the goods, and as such are taxable.

#### **Local Vendors**

When evaluating quotes or bids, and one or more of the bidders is a "local company" (defined as one that

1. Is located within the City of Lodi;
2. Is licensed by the California State Board of Equalization to collect sales tax at the local place of business;
3. Maintains a valid City of Lodi Business License.

with other bidders being non-local, the evaluation must consider that a portion of the taxable purchase price will be distributed to the city as a District Tax. As of July 1, 2005, the amount was 1%. For example, if a local vendor quotes \$820 for an item or group of items, and a non-local vendor quotes \$815, 1% of the \$820 purchase price if purchased locally, or \$8.20, is returned to the city by the State, yielding a net cost to the city of \$811.80. The evaluation (but not the actual quote or purchase price) would then be adjusted to consider the local distribution of district tax.

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### Section III – Methods of Purchasing (continued)

#### Purchase Order Process (continued)

#### Departmental Purchase Process (continued)

#### 3. Quote Evaluation (continued)

##### Payment Discounts

When evaluating quotes or bids, and one or more of the bidders offers a discount for prompt payment, there are several factors to consider.

1. Is the timeline for prompt payment realistic, that is, if the timeline begins on the date of shipment of the goods from the vendor, and the invoice isn't mailed for several days, can the city realistically expect to be able to take advantage of the discount?
2. Is it realistic to expect the goods can be received and adequately inspected prior to the discount due date?
3. Does payment have to reach the seller by the due date, or does mailing date qualify as the "payment date"?

Common payment discounts defined:

2% 10 Net 30 A 2% discount may be taken if payment is made within 10 days of the invoice date or shipment date. If discount is not taken, invoice is due in 30 days. (in this regard, "days" is typically defined as calendar days)

2% 10<sup>th</sup> Prox Net 15<sup>th</sup> A 2% discount may be taken if payment is made by the 10<sup>th</sup> of the month following the invoice date. If discount is not taken, the invoice is due in full by the 15<sup>th</sup> of the month following the invoice date.

USBank offers prompt payment "performance" rebates on monthly CALCard purchases. The schedule as of July 1, 2005 was as follows:

##### Payment Performance Rebate Schedule

Receipt of Payment from Invoice Date	Basis Points
1 to 7 days	62 (0.62%)
8 to 12 days	48 (0.48%)
13 to 16 days	41 (0.41%)
17 to 20 days	35 (0.35%)
21 to 24 days	28 (0.28%)
25 to 28 days	22 (0.22%)
29 to 32 days	15 (0.15%)
33 to 36 days	9 (0.09%)
37 to 40 days	2 (0.02%)

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### Section III – Methods of Purchasing (continued)

#### Purchase Order Process (continued)

#### Departmental Purchase Process (continued)

#### 4. Prepare Purchase Order in JDEdwards

##### A. Purchase of Goods

Purchases of goods (supplies, materials and equipment) in an amount of \$500 or more require a written purchase order or other form of written contract (City Code Sec. 3.20.080)

The JDEdwards Purchase Order process consists of the following steps after competitive quotes have been obtained. Detailed instructions can be found in the JDEwards Purchasing Guide & User Manual.

The symbol → in the following steps indicates "Navigate to" in the JDEdwards entry screens:

1. Sign on to JD Edwards; Select "Production Environment", and enter "1" Select "Purchasing – Non-stock based"
2. Select "Enter Purchase Orders"
3. → "Supplier" numeric field; Press F1 to enter name, or enter partial name and select from the list. Enter a "4" on the option line next to the correct name; Press <Enter>
4. → "Ship To" numeric field. Enter numeric code for 'ship to' location and press <Tab>, or press F1 to enter 'Lodi, City" and select from the list. Enter a "4" on the option line next to the correct name; and press <Enter>
5. → "Buyer" field and enter your employee number
6. → the "FOB" field and (depending on the supplier's quote) enter "F" for "FOB Delivered", or "G" for "FOB Point of Shipment" (see Page 17 for discussion and meaning of "FOB").
7. → "Payment Terms". Press F1 for selection. Enter a "4" on the option line next to the payment terms indicated on the Quotation, and press <Enter>
8. → "Tax Expl Code" and enter "S3"
9. → "Tax Rate/Area" and enter "Lodi"
10. → "Account Number" and enter the account number to which the purchase will be charged, or if charged to more than one account number, enter "See Account Dist below"
11. → "Requestor/Dept" and enter your name, or the person for whom you are placing the order
12. Press <Enter> to accept header entries.
13. Press F15 to make changes to Supplier Address and delivery address
14. Press F3 to return to PO header
15. Press F14 to enter text associated with the order. This text will appear below requested items in the body of the PO. (Account Number detail, if more than one account number has been assigned to this order, may be entered here. Note that a single line item may not be split between two or more account numbers). Enter supplementary text information, such as lead time, warranty period, and press F3 to return to header. Press <Enter>
- 
16. *continue instructions*
- nn. Purchase Order Signature authority can be integrated into JDEdwards:  
Purchase order amounts <\$1,000: \_\_\_\_\_  
Purchase order amounts \$1,000 - \$ \_\_\_\_\_: \_\_\_\_\_

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### Section III – Methods of Purchasing (continued)

#### Purchase Order Process (continued)

#### Departmental Purchase Process (continued)

#### 4. Prepare Purchase Order in JDEdwards (continued)

##### B. Purchase of Services

Orders for services may be entered into JDEdwards in the same way that orders for goods are entered. However, if the service is complex, extends over a long period of time, or involves multiple invoices of varying amounts, it is advisable to prepare a written contract instead of a JDEdwards purchase order.

Also, keep in mind that some services are taxable, while others are not.

Examples of taxable services (See State Board of Equalization Publication 108):

1. Mandatory maintenance contracts (Reg. 1546 (B)(3)(B))
2. Services that involve the sale or transfer of tangible personal property, when the true object of the contract is the property (Reg. 1501)
3. Producing, fabricating, processing, printing, or imprinting of tangible personal property for a consideration for consumers who furnish ...the materials used... (Reg. 1526)
4. Fabrication in place.

**State Sales and Use Tax Regulations:** <http://www.boe.ca.gov/sutax/staxregs.htm>

#### 5. Issue Purchase Order to successful bidder

Purchases in an amount of \$500 or more require a written purchase order or other form of written contract (City Code Sec. 3.20.080)

Signed purchase order may be issued to successful bidder either by FAX or by Postal Service mail. A scanned copy may also be issued by email. Issuer should be aware that FAXed copies should also include the "Terms and Conditions" printed on the back of the original purchase order to avoid having supplier's Terms and Conditions prevail.

(For additional information on formation of Contracts, and Terms and Conditions, refer to the Uniform Commercial Code online.) <http://straylight.law.cornell.edu/ucc/2/2-201.html>

#### 6. Distribute Purchase Order copies

Copies of the JDEdwards purchase order are distributed as follows:

Supplier Copy (Original):	May be mailed to vendor, or FAXed. If order is FAXed, file the vendor copy in Purchase Order (alpha) file
File (White) Copy	Forward to Purchasing
Accounting (Green) Copy:	Forward to Accounts Payable
Originating Dept (Blue) Copy:	Return to Requestor
Additional (Photocopies)	If Supplier Copy is mailed, retain a photocopy in Dept files If a CMAS contract is used, mail a photocopy to CMAS If computer hardware or software is purchased, send a copy to ISD

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### Section III – Methods of Purchasing (continued)

#### Purchase Order Process (continued)

#### Departmental Purchase Process (continued)

#### 7. Receive and Inspect

##### Receiving:

Whether taking receipt of supplies, materials or equipment from a carrier such as UPS, FedEx, or other common carrier, or from the Purchasing Division, the following steps must be followed:

Count the number of packages to confirm the quantity delivered matches the quantity on either the delivery ticket or hand-held delivery terminal. If the quantity values don't match, sign only for the number of packages that are actually delivered. Don't take the driver's word for the number of packages.

Check for packaging damage. Depending on the severity of the damage, or a combination of the severity of the damage and the sensitivity or fragility of the product packed therein, note the existence of damage on the delivery ticket, or have delivery driver note the damage on the hand-held terminal, and ask for verification that damage has been electronically noted. Do not refuse shipment unless you know for certain that the package was shipped "FOB Delivered"; otherwise, the City may be liable for storage costs. (See discussion of FOB Point on page 17)

Check package contents immediately upon receipt. If the products do not match your order, or if the products are damaged or do not operate correctly, contact the supplier (or Purchasing) immediately.

Note receipt on the purchase order, attach freight bill and packing list to the purchase order, and receive the delivery into JDEdwards. File the purchase order, freight bill, packing list, and JDE receiver in the alpha purchase order file. Retain files for at least three years.

##### Inspection:

Promptly inspect delivery for conformance with purchase order and specifications, and check for concealed damage. Report discrepancies to the vendor immediately. Returns or credits for discrepancies or damage are usually not granted if more than 30 days have passed since *date of shipment*. Do not attempt to return any shipments without first discussing a "Return Authorization" (RA, RMA, RGA) with the vendor.

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### Section III – Methods of Purchasing (continued)

#### Purchase Order Process (continued)

#### Purchasing Division Process

#### Purchase Requisitions

#### Materials, Supplies, Equipment and Non-Public Projects Purchases \$500 - \$20,000

The Purchase Requisition serves three purposes:

- 1) It provides the Purchasing Division with a clear and complete description of the department's requirement;
- 2) It provides the Purchasing Division with an account number (or numbers) to be used for the purchase, and
- 3) It requires the requesting department's approval for use.

#### \$500 to \$20,000

The department requesting the materials, supplies, equipment or services may elect either of the following procedures to initiate a purchase:

- 1) Standard Requisition
- 2) JDE Requisition

#### **Standard Requisition**

The Standard Requisition may be completed online using the fill-in pdf form, or a blank requisition form may be printed and filled out manually. Complete Sections I, II, and III to the fullest extent possible. If prices are unknown, mark the box "Price and Advise before ordering" in Section I, and e-mail, FAX, or otherwise deliver the partially-completed requisition to the Purchasing office for pricing. Priced requisitions will be returned to the requesting department for required approvals.

#### **Request for Quotation Process**

Telephone or verbal quotes are acceptable for purchases up to \$1,000. Written (mailed, FAXed, or emailed) quotations are required for purchases \$1,000 through \$20,000.

The Request for Quotation process is required for materials, supplies and equipment purchases and other non-public works projects when the cost is from \$500 to \$20,000. The department should issue a Request for Quotation or Proposal which lists in detail the product or services required. Although advertising is not required, a proposal or quotation should be obtained from a minimum of three vendors whenever it is possible to do so.

The department must complete the Quote Summary form to document the quotation process. Both the Request for Quotation form and the Quote Summary form can be found on the City's Intranet. *(For additional information detailing the informal bid process please see Section V, in development.)*

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**Purchase Requisitions (continued)**

	<p><b><i>On-Line Purchase Requisitions</i></b>  After the informal bidding process is complete, the department can initiate a purchase requisition in the JDEdwards Purchasing System.  At a minimum, the requisition requires the vendor's name and address, the department's "ship to" address, contract terms and delivery date, the contract amount, the applicable account number(s), and a detailed description of the product to be ordered. <i>(See the Purchase Requisition Manual in Section IX for additional information.)</i></p> <p><b><i>Requisition Approval</i></b>  All standard requisitions and all on-line purchase requisitions must be approved by the department head or designee ("Approving official"). After the approving official has approved the requisition, the department will supply the following backup documentation to Purchasing:</p> <ol style="list-style-type: none"> <li>1. Bid Recap</li> <li>2. Signed Contracts or Purchase Agreements</li> <li>3. Proposals and/or Quotations</li> </ol>
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Appendix A  
Petty Cash Form

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CITY OF LODI

PETTY CASH AUTHORIZATION

To: Petty Cash

Finance Department

Account Number to be Charged:

Do Not Use 7314, 7315, or 7358

\$ \_\_\_\_\_  
(Amount)

To: \_\_\_\_\_

For the purpose of: \_\_\_\_\_

Date: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Received By: \_\_\_\_\_

Sign in presence of cashier

**\*\*\* \$300.00 Maximum \*\*\***

**Exhibit B**  
**Delegation of Purchasing Authority**

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**DELEGATION OF PURCHASING AUTHORITY** **FY**

Reference: Lodi Municipal Code 2.12.060(T)

Department:

Purchasing Authority  
 (Department Head):

Signature

Authorized Amount  
 (Up to and including)

\$5,000

Subordinate Authorizations  
 (Name & Title):

Signature

Authorized Amount  
 (Up to and including)

				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$
				\$

Blair King, City Manager

Dated

cc: Finance Director  
 Accounting Manager  
 Purchasing Officer

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## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Receive notice of intent to issue annual payment to the Mokelumne Rural Fire District as negotiated in the annexation agreement approved September 6, 2000 (\$27,917.96)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Management Analyst, City Manager's Office

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**RECOMMENDED ACTION:** Receive notice of intent to issue annual payment to the Mokelumne Rural Fire District as negotiated in the annexation agreement approved September 6, 2000 (\$27,917.96)

**BACKGROUND INFORMATION:** On July 6, 2000, the City of Lodi entered into an annexation agreement with the Mokelumne Rural Fire District that committed the City to pay the Fire District \$27,917.96 annually for 10 years as reimbursement for lost property tax revenue. The annexation of the property, designated as the Mondavi Annexation Area, required that the property be withdrawn from the District, thus transferring the authority to receive property tax revenues from the Mokelumne Rural Fire District to the City of Lodi. The District, however, remains the initial responder to any structure fire call within the detached area. The City believes that it is in the best interest of the City to compensate the District for its lost revenues.

**FISCAL IMPACT:** \$27,917.96

**FUNDING AVAILABLE:** \$27,917.96 approved in the Fiscal Year 2005-2006 budget  
Special Payments, Administration

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James R. Krueger, Finance Director

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Janet L. Hamilton  
Management Analyst

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**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

AGREEMENT BETWEEN THE CITY OF LODI AND THE  
MOKELUMNE RURAL FIRE DISTRICT REGARDING  
WITHDRAWAL OF AREA FROM THE DISTRICT PURSUANT TO  
ANNEXATION OF PROPERTY TO CITY OF LODI

RECEIVED  
SEP 11 PM 1:12  
SUSAN J. BLACKSTON  
CITY CLERK  
CITY OF LODI

THIS AGREEMENT is made and entered into this 6th day of September, 2000, by and between the CITY OF LODI, a municipal corporation of the State of California ("City"), and the Mokelumne Rural Fire District, a rural fire district organized under the laws of the State of California ("District").

WITNESSETH:

WHEREAS, City has been asked by certain property owners to annex property to City; and

WHEREAS, City is willing to have the property designated as the Mondavi Annexation Area annexed to City; and

WHEREAS, as a condition of annexation City will require that the property be withdrawn from the District; and

WHEREAS, such withdrawal will result in a loss of property tax revenue which District uses to fund fire suppression services within its boundaries; and

WHEREAS, City believes that it is in the best interest of City to compensation District for its lost revenues.

NOW, THEREFORE, it is mutually agreed by and between the City and District as follows:

1. Compensation – City shall pay to District an amount not to exceed \$27,917.96 to compensate for lost property tax revenue due to detachment of the Mondavi Annexation Area.

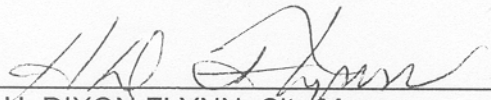
2. Payments – City shall make ten (10) annual payments of the amount stated in paragraph 1. Upon making the 10<sup>th</sup> payment, City shall be relieved of any further obligation to make payments of any type to District. City shall make the annual payment on or before December 31st of each calendar year beginning December 2001.

3. District – District shall remain the initial responder to any structure fire call within the detached area. Responses shall be made by District dispatching, in a timely manner, one engine with a minimum crew of two.

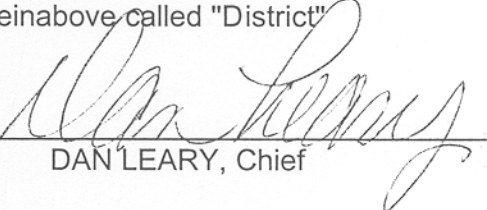
4. Term – The term of this Agreement is 10 years from the day and year first above written.

IN WITNESS WHEREOF, this Agreement has been executed by the respective parties hereto through their authorized representatives, the day and year first above written.

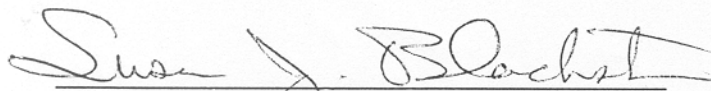
CITY OF LODI, a municipal corporation  
hereinabove called "City"

By   
H. DIXON FLYNN, City Manager

MOKELUMNE RURAL FIRE DISTRICT  
hereinabove called "District"

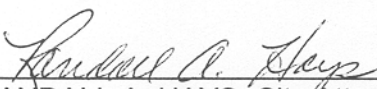
By   
DAN LEARY, Chief

Attest:

  
SUSAN J. BLACKSTON, City Clerk

By   
GERSH ROSEN, Board Chairman

Approved as to Form:

  
RANDALL A. HAYS, City Attorney



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Receive for informational purposes annual Housing Element report for submittal to the Department of Housing and Community Development

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Community Development Director, Randy Hatch

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**RECOMMENDED ACTION:** Information item only

**BACKGROUND INFORMATION:** As required by California Government Code Section 65400 Cities are required to submit an annual report of the progress of their Housing Element Implementation to the Department of Housing and Community Development. This report is also required to qualify for the 2005 Work Force Housing Program and must be received by the Department by December 31, 2005. The report covers the prior calendar year of 2004 and details the City's progress toward meeting its regional housing needs allocation (RHNA) by income level, implementation of the housing element.

**FISCAL IMPACT:** None

**FUNDING AVAILABLE:** Not Applicable

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Peter Pirnejad  
Planning Manager

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Randy Hatch  
Community Development Director

RH/pp/kc

Attachments: 2004 WFH Annual Progress Report on Implementation of the Housing Element: General Plan Report requirement pursuant to Section 65400 of the Government Code

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**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

ATTACHMENT D  
WFH Annual Progress Report  
on Implementation of the Housing Element  
General Plan Report requirement pursuant to  
Section 65400 of the Government Code

Jurisdiction: City of Lodi

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Address: 221 West Pine Street, P.O. Box 3006, Lodi, CA 95241

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Contact: Peter Pirnejad

Title: Planning Manager

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Phone: (209) 333-6800 Extension 2632

Email: Ppirnejad@lodi.gov

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Report Period: January 1, 2004

To: December 31, 2004

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The following information should be included in the report:

**A. Progress in meeting Regional Housing Need.**

1. Total number of new housing permits issued:  
317 Total New Housing Permits for Detached Dwelling Units where issued in the 2004 Calendar year.
2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing units.  
The affordability by income level is described as part of the answer to question number 3. There were no deed-restricted housing units in the 2004 calendar year.
3. Compare units added to regional housing need allocation by income category (very low, low, moderate, and above moderate).

Income Category	RHNA Allotment		Units Added in 2004 Calendar year
	Percent	Number of Units	
Very Low <sup>1</sup>	24.7%	990	3
Low	16.5%	664	17
Moderate <sup>2</sup>	18.4%	738	160
Above Moderate	40.4%	1622	137
<b>TOTAL</b>	100%	4014	317

<sup>1</sup>Very Low includes Extremely Low

<sup>2</sup>Moderate includes Median



**B. The effectiveness of the housing element in attainment of the community's housing goals and objectives.**

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program.

See attached Matrix titled “**THE EFFECTIVENESS OF THE HOUSING ELEMENT IN ATTAINMENT OF THE COMMUNITY'S HOUSING GOALS AND OBJECTIVES.**”

2. Assess effectiveness of actions and outcomes.

See attached Matrix titled “**THE EFFECTIVENESS OF THE HOUSING ELEMENT IN ATTAINMENT OF THE COMMUNITY'S HOUSING GOALS AND OBJECTIVES.**”

**C. Progress toward mitigating governmental constraints identified in the housing element.**

1. Include information on actions taken to mitigate identified constraints.

As part of the housing element status report actions were identified to mitigate those identified constraints to the policies in the Housing Element.

2. The annual progress report should indicate if no constraints were identified in the housing element.

There were a few constraints but they were identified and suggested mitigation efforts were described.

	status report relative to implementation schedule from each program	actions taken to implement each program	effectiveness of actions and outcomes	
1	The City shall promote the development of a broad mix of housing types through the following mix of residential land uses: 65 percent low density, 10 percent medium density, and 25 percent high density.	The status of this measure is effective and is being implemented through the City's Growth Management Allocation Rating System	This mix of housing has been incorporated into our Growth Management Allocation Rating system in which we distribute a max number of housing units equal to annual residential growth rate of 2.0 percent in the various density proportions mentioned in the policy statement	The effectiveness is good in that we have established an easy to understand mechanism of enforcing the density allocations. The shortfall is the markets ability to develop the higher density units.
2	The City shall regulate the number of housing units approved each year to maintain a population-based annual residential growth rate of 2.0 percent, consistent with the recommendations of the Mayor's Task Force and the growth management ordinance.	The City has been successful in following through with this policy and have reported less than 2% growth per year.	The City continues to monitor and enforce the Growth Management Allocation Rating Program	Very effective in maintaining growth caps and thereby permitting growth at an orderly rate
3	The City shall continue to exempt senior citizen housing projects from the growth management ordinance.	The City continues to exempt senior citizen housing projects from the growth management ordinance.	The actions taken to implement this program is to exempt these types of uses from the City's growth management ordinance.	There was nothing to report in the 2004 Calendar year however the following calendar year in 2005 the City had received applications for senior housing projects. It seems that the developer interest for such uses is softening.
4	The City shall exempt very low- and/or low-income housing units from the growth management ordinance.	The City continues to exempt very low- and/or low-income housing units from the growth management ordinance.	The actions taken to implement this program is to exempt these types of uses from the City's growth management ordinance.	During the 2004 Calendar year the City finaled 20 new market rate very low/low income affordable dwelling units.
5	The City shall maintain and regularly update its land use database to monitor vacant residential land supply.	This City continues to monitor this effort and has had success in maintaining a current and up-to-date database of its vacant land supply	The City has a database created in-house that monitors the supply of vacant land supply within the city core as well as when new subdivisions come on-line.	The results of this action has proved to be very effective. The City maintains less than 1% land vacancy rate throughout the City.

	status report relative to implementation schedule from each program	actions taken to implement each program	effectiveness of actions and outcomes
6	<p>The City shall pursue available and appropriate state and federal funding programs and collaborate with nonprofit organizations to develop affordable housing.</p>	<p>The City continues to market and administer a CDBG/HOME Program that has been successful in providing funding to serve affordable housing needs.</p>	<p>In addition to the Down-Payment Assistance Program administered by the City, we have provided Federal CDBG &amp; HOME Program funding to the Housing Authority and LOEL Foundation for affordable housing projects.</p> <p>\$81,580 of down-payment assistance has been provided to two low-income, first-time home buyers. In addition, two apartment buildings have been acquired and designated for affordable senior housing, and the Housing Authority is building a duplex to serve affordable housing needs.</p>
7	<p>The City shall promote the expeditious processing and approval of residential projects that conform to General Plan policies and City regulatory requirements.</p>	<p>The City continues to promote the expeditious processing and approval of residential projects that conform to General Plan policies and City regulatory requirements</p>	<p>The City regularly approves and expeditiously process such requests many of with are approved administratively</p> <p>This policy has proven to be helpful in promoting the goal of providing a range of housing types and densities for all economic segments of the community while emphasizing high quality development, homeownership opportunities, and the efficient use of land</p>
8	<p>The City shall seek to reduce the cost impact of its policies, regulations, and permit procedures on the production of housing, while assuring the attainment of other City objectives.</p>	<p>The City continues to reduce the cost of impacts of its policies, regulations and permits procedures on the production of housing</p>	<p>The City offers incentives to various housing developers such as predevelopment meetings with multiple departments in an effort to streamline the review process and equip prospective developers with the information they need to expedite their plan review process</p> <p>This policy has proven to be effective in that we have received many compliments from developers that state that our efforts have saved them time and money which has positively affected the production of their product.</p>
9	<p>The City shall grant density bonuses of at least 25 percent and/or other incentives in compliance with state law for projects that contain a minimum specified percentage of very low-income, low-income, or qualifying senior housing units or units designed to facilitate individuals with physical challenged.</p>	<p>Although this policy is in effect we have not received any inquiry on this benefit. The City already offers competitive densities for the medium density range and for that reason we believe that the market has not demonstrated a need.</p>	<p>This benefit has been available to developers however has not been used to its fullest extent. The issue is more a function of the market conditions and the availability of subsidies for these types of units then the City's ability to entice the developers</p> <p>Although this policy has not contributed to the overall goal it has proven to be a good indicator that the City is doing all it can to capture the available housing market in this area.</p>

	status report relative to implementation schedule from each program	actions taken to implement each program	effectiveness of actions and outcomes	
10	<p>The City shall seek to intersperse very low- and low-income housing units within new residential developments and shall ensure that such housing is visually indistinguishable from market-rate units.</p>	<p>Although the City has the intention to approve such a development. The price of land in the City has made it difficult for developers to include affordable units into their development. However, we are continuing to make efforts to require such units into upcoming specific/development plans</p>	<p>The City is pursuing the preparation of various specific and development plans that will have requirements to include a mix of affordable and market-rate units throughout its design and shall ensure that such housing is visually indistinguishable from market-rate units</p>	<p>Although the City has nothing to report this last calendar year we are planning to see some units incorporated into upcoming neighborhood designs.</p>
11	<p>The City shall continue to allow and encourage the development of a variety of housing and shelter alternatives, both renter and owner, to meet the diverse needs of the City's population.</p>	<p>The City has approved a homeless shelter which just celebrated its grand opening this calendar year. The Salvation Army which expanded a previous operation can now accommodate men and women in their new expanded bi-gender shelter</p>	<p>In an effort to promote such an expanded use the City waived all its required parking and only held the applicant to the required handicap parking and access requirements as described by ADA</p>	<p>The policy proved to be effective and because of it the City now has an expanded shelter for its homeless population</p>
12	<p>The City shall promote the development of senior and other special needs housing near, and/or with convenient public transportation access to, neighborhood centers, governmental services, and commercial service centers.</p>	<p>The City continues to make progress. Its most recent success was the conversion of a market rate apartment complex to senior housing through the use of HOME and CDBG funds</p>	<p>Funding has been provided to support affordable housing for seniors across the street from the LOEL (Lodi Elderly) Senior Center.</p>	<p>This project has been well received. The project provided ten more units than what was available before the conversion.</p>
13	<p>The City shall encourage infill residential development and higher residential densities within the existing City limits near transit stops, and compact development patterns in annexation areas to reduce public facility and service costs, avoid the premature conversion of natural resource and agricultural lands, and reduce the number of trips from private vehicles.</p>	<p>The City is making continued progress with this Policy. The City has been able to achieve a less than 1% vacancy rate within its corporate boundaries. We also have in place a stringent growth management allocation system that heavily promotes infill development over ag-conversion</p>	<p>The City has in place a Growth Management Allocation Process that monitors and controls the conversion of ag land and promotes in-fill development. The City is also very accomidating in its approval of second units in an effort to increase density and maximize infill.</p>	<p>As stated the effectiveness of this Policy can be measured by our land vacancy rate throughout the City. The City is tightly packed in less than 12 square miles.</p>

	status report relative to implementation schedule from each program	actions taken to implement each program	effectiveness of actions and outcomes	
14	<p>The City shall encourage private reinvestment in older residential neighborhoods and private rehabilitation of housing.</p>	<p>The City continues in its efforts to encourage rehabilitation of housing. This is achieved by having flexible and accomidating second unit provisions which permit limited income homeowners to create an income source through the rental of a second until. Then said monies can be used to make needed home improvements</p>	<p>The City is in the final stages of updated it's Zoning and Subdivision Ordinance in an effort to grant homeowners more flexibility in the creation of second rentable units thereby providing an additional revenue source to fund reinvestment into neighborhoods.</p>	<p>The effectiveness continues to be evident as the City neighborhoods develop more distinguishing characteristics and charm through their continual reinvestment and improvements</p>
15	<p>The City shall prohibit the conversion of existing single-family units to multifamily units on residentially zoned properties less than 6,000.</p>	<p>The City has and will continue to enforce this policy.</p>	<p>The Zoning Ordinance has already been modified to restrict the conversion of single family units to multi-family on residential properties less than 6,000, in an effort to promote owner-occupied units in the City which sparks reinvestment and rehabilitation of housing</p>	<p>The effectiveness has been positive as the City has seen a halt in these types of conversions. The challenge now is to try to coordinate the uses in an effort to make the multi-family units indistinguishable from the single family units</p>
16	<p>The City shall use available and appropriate state and federal funding programs and collaborate with nonprofit organizations to rehabilitate housing and improve older neighborhoods.</p>	<p>The City continues to research and apply for grants that are earmarked for this purpose</p>	<p>Most recently the City has applied for a TOD Grant that would provide a funding mechanism to create a plan that would bring mixed use dwelling/retail space into the CBD within walking distance of the City's new Multi-model transportation Depot</p>	<p>The effectiveness has been positive. The City has already received a \$94,000 grant to create a plan to improve transit corridors in the more culturally distinct areas of the City in an effort to celebrate the distinct culture and heritage of key areas of the City.</p>
17	<p>Housing rehabilitation efforts shall continue to be given high priority in the use of Community Development Block Grant (CDBG) funds, especially in the Eastside area.</p>	<p>The status of this policy is dynamic as the City continues to see significant amount of momentum already generated through the hard work of the City's Community Improvement Manager and the use of the CDBG/HOME funding</p>	<p>The City continues to market the CDBG/HOME Program funded Housing Rehabilitation Program, where over \$470,000 in funding is available.</p>	<p>\$220,000 in Housing Rehab loans have been provided to two low-income residents.</p>

	status report relative to implementation schedule from each program	actions taken to implement each program	effectiveness of actions and outcomes
18	<p>The City shall support the revitalization of older neighborhoods by keeping streets and other municipal systems in good repair.</p> <p>The City's Public Works department continues to maintain and improve the public right-of-ways.</p>	<p>The City has a CIP in place that charts out the needed improvements and associated costs over a 5-year period</p>	<p>The effectiveness is evident in the well maintained streets that the Citizens of Lodi enjoy daily.</p>
19	<p>The City shall allow reconstruction of existing housing in the Eastside area and in commercially or industrially designated areas in the event such housing is destroyed or damaged.</p> <p>The program has continued success and is defined in chapter 17 of the City's Municipal Code</p>	<p>The City has a policy that permits the reconstruction of damaged units in the event of a fire or natural catastrophe provided that the replacement does not exceed 50% of its reasonable value.</p>	<p>The City has very few incidents of fire and therefore the success of this policy is limited. However, in the events that we have had to implement this policy, it has proved to be effective.</p>
20	<p>The City shall implement historic preservation guidelines to preserve historically significant residential structures and insure that infill projects fit within the context of the neighborhood. (See the Urban Design and Cultural Resources Element for implementation of this policy.)</p> <p>The City has a design review committee known as SPARC (Site Plan and Architectural Review Committee) They are tasked with the responsibility to insure that all new development has an acceptable level of design and architecture that reflects the expectations of the City.</p>	<p>In addition to the establishment of SPARC the city adopted Downtown Development Standards and Guidelines. In the future the City is anticipating the creation of additional guidelines to improve transit corridors in specific neighborhoods in the City to celebrate the specific culture of that neighborhood.</p>	<p>The effectiveness is reflected in the character the City has been able to create throughout its various communities. The City is considering the creation of historic preservation guidelines in the near future to further this policy measure.</p>
21	<p>The City shall continue to enforce residential property maintenance standards.</p> <p>The City has an on-going code enforcement program that addresses issues related to property maintenance standards and substandard housing.</p>	<p>581 complaints pertaining to property maintenance and substandard housing issues were received and investigated in 2004.</p>	<p>Although the City lacks the available staff to be truly "proactive" the City is leveraging its resources to maximize its enforcement efforts</p>
22	<p>The City shall support the use of CDBG funds for the upgrading of streets, sidewalks, and other public improvements.</p> <p>The City is making active and continued progress in the implementation of this policy.</p>	<p>CDBG funding has been provided to install handicap ramps at corners and other locations which serve low-income residents and public facilities.</p>	<p>As described earlier the City has already started to demonstrate the fruits of our efforts in the increased number of handicap ramps at corners and other locations which serve low-income residents and public facilities.</p>

	status report relative to implementation schedule from each program	actions taken to implement each program	effectiveness of actions and outcomes
23	<p>The City shall ensure that new residential development pays its fair share in financing public facilities and services and will pursue financial assistance techniques to reduce the cost impact on the production of affordable housing.</p> <p>The City continues to identify new ways and funding mechanisms to insure that all new development pay their fair share.</p>	<p>The City recently underwent a User fee analysis and is anticipating another update in the near future. The City is also looking at a host of impact fees to help in this effort. The City also recently passes a Development Agreement Ordinance that enabled the practice of entering into and executing Development Agreements with developers</p>	<p>The City recently identified their Community Development Department as an Enterprise Fund and thereby created an incentive to insure that the department is self-funded. In that regard the department has begun researching and pursuing innovative funding mechanisms to insure the cost of development is not subsidized by the City's General Fund</p>
24	<p>The City shall ensure that all necessary public facilities and services shall be available prior to occupancy of residential units.</p> <p>This is a practice that the City has and continues to regulate. Through a joint effort between public works and community development the City's efforts have been successful</p>	<p>The city has a mechanism that provides various internal departments to comment on new developments, parcel maps, etc. In that regard the City conditions new development to ensure that all the utilities have been provided prior to occupancy.</p>	<p>The effectiveness of this policy is positive. As part of the final approval public works and utilities has to sign off on new development prior to issuance of a final Certificate of Occupancy</p>
25	<p>The City shall require that park and recreational acquisitions and improvements keep pace with residential development.</p> <p>The City is making every effort to comply with this policy and to date sees no restraints in meeting its intent</p>	<p>The City requires the incorporation of new recreational parks and open space as part of new subdivisions and Specific Plans in line with the Policy</p>	<p>The effectiveness of this action is positive and the citizens of Lodi enjoy many recreational opportunities thanks to the implementation of said policy measure</p>
26	<p>The City shall seek to address the special housing needs of persons with disabilities, lower-income large families, seniors, single-parent households, farmworkers, and persons in need of temporary shelter.</p> <p>The City is taking active steps to address the special housing needs of persons identified in this policy.</p>	<p>The City has identified these housing needs in the public information and participation process related to the annual CDBG/HOME Program Notice of Funding Availability.</p>	<p>CDBG/HOME Program funding has been provided to address these needs and additional housing has been provided.</p>

	status report relative to implementation schedule from each program	actions taken to implement each program	effectiveness of actions and outcomes	
27	The City shall make available to the public information on nonprofit, county, state, and federal agencies that provide education, mediation, and enforcement services related to equal housing opportunity.	The City has mechanisms in place that are designed to distribute public information related to equal housing opportunities	Educational and information materials are distributed through the public contact at our office and through our field contact in our code enforcement activities.	The level of effectiveness of this program is difficult to manage because we are dealing with an intangible item, I.e. the education of persons regarding equal housing opportunities. It can be said that the monies allocated through our CDBG/HOME Programs are well received and understood throughout the City
28	The City shall establish regulations that govern the conversion of apartments and mobile home parks to condominiums to reduce the displacement of lower-income households.	The status of this policy is positive and the City can report that we have put measures in place to insure meeting this policy	The City has adopted a Community Housing Project Conversion Chapter of the Municipal Code that establishes criteria for the conversion of the existing multifamily rental housing to condominiums, community apartments or stock cooperatives.	The effectiveness has been positive in that we have started to see interest by prospective developers to start converting some existing apartments into Condo units while meeting the conversion criteria to address displacement,
29	The City shall work with surrounding jurisdictions to address the needs of the homeless on a regional basis.	An accurate count and the assessment of the needs for homeless has become a mandate for participation in HUD-funded programs.	The City participated in a County-wide census and survey of needs.	The information gathered will be used to determine where best to direct CDBG funding to address the identified needs and reduce homelessness.
30	The City shall cooperate with community-based organizations that provide services or information regarding the availability of assistance to the homeless.	Progress on this policy is positive. The City has procured funding through the CDBG to put toward this effort	CDBG funding is provided to the Salvation Army and other organizations which serve the homeless.	Additional shelter space was provided with the assistance of CDBG funding. This also allowed for shelter space for women and children that were previously unavailable.
31	The City shall continue to promote fair housing programs and services to residents and property owners in Lodi.	The City is making continued efforts in promoting this policy through the use of CDBG Funding.	CDBG funding is provided to the local Fair Housing Agency and there is a strong working relationship between that agency and our service providers that are reaching the affected clients.	The City has seen measured success in this area most notably in the area of the City that require housing assistance.



	status report relative to implementation schedule from each program	actions taken to implement each program	effectiveness of actions and outcomes
32 The City shall require the use of energy conservation features in the design and construction of all new residential structures and shall promote the use of energy conservation and weatherization features in existing homes.	The City continues to improve the standards for energy efficiency of new residential buildings and is providing programs and encourages energy upgrades on existing homes.	Enforcement of the new State energy regulations coupled with the City sponsored training of staff, construction and design communities has helped in the implementation of the City's programs for improving energy efficiencies. The City is a participating member in the Community Energy Efficiency Program that encourages construction of energy efficient homes beyond the state requirements.	The training of staff and the education of the local construction and design communities have made a difference in improving the energy efficiency of all new projects. The participation in the Community Energy Efficiency Program will also improve the energy efficiencies of new homes.
33 The City shall require solar access in the design of all residential projects.	The status on the policy is ongoing. To date we have implement this policy on a case-by-case bases.	The City has reserved its right require that all new subdivisions provide cross access easements for sunlight in the event that a neighbor were to require direct sunlight as part of a solar system	The City has not had the opportunity or need to impose these requirements on new subdivision, however, we have reserved our right to do so.
34 The City shall pursue residential land use and site planning policies, and promote planning and design techniques that encourage reductions in residential energy consumption.	The status on this policy is ongoing. We have implemented this policy in the design of new subdivisions	The City attempts to incorporate land use design elements that promote design techniques that encourage reductions in residential energy consumption like Street trees and pedestrian oriented design	The effectiveness if positive in that we are making progress on a new development plan that incorporates many of these and other principles

**Comments by the public on non-agenda items**

**THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.**

The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted.

Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

**Comments by the City Council Members on non-agenda items**



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## **CITY OF LODI COUNCIL COMMUNICATION**

**AGENDA TITLE:** Monthly Protocol Account Report

**MEETING DATE:** December 21, 2005

**PREPARED BY:** City Clerk

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**RECOMMENDED ACTION:** None required, information only.

**BACKGROUND INFORMATION:** The City Council, at its meeting of July 19, 2000, adopted Resolution No. 2000-126 approving a policy relating to the City's "Protocol Account." As a part of this policy, it was directed that a monthly itemized report of the "Protocol Account" be provided to the City Council.

Attached please find the cumulative report through November 30, 2005.

**FISCAL IMPACT:** N/A

**FUNDING AVAILABLE:** See attached.

---

Susan J. Blackston  
City Clerk

SJB/jmp

Attachment

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**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

**PROTOCOL ACCOUNT SUMMARY**  
**Cumulative Report**  
**July 1, 2005 through November 30, 2005**

Date	Vendor	Description	Amount	Balance
				<b>Starting Bal. \$12,000.</b>
07-05-05	Lakewood Drugs	Clock – farewell gift from City to Dep. City Mgr. J. Keeter	43.05	
07-08-05	Lasting Impressions	Engraving (on J. Keeter gift)	42.99	
07-12-05	Touch of Mesquite*	*Deposit for catering services at Aug. 18 Annual Boards & Commissions Reception	320.00	
07-14-05	Security at HSS	3.5 hrs x \$15 (Aug. 18 event)	52.50	
07-26-05	O.C. Tanner	3 City grape emblems (supply for future City gifts)	70.29	
08-17-05	Arthur's Party World	Balloon decorations (for Aug. 18 Boards & Commissions Recognition Reception)	44.18	
08-17-05	Lowe's	Table flowers & baskets (for Aug. 18 Boards & Commissions Recognition Reception)	72.46	
08-17-05	Lodi Wine & Visitors Center	Wine (for Aug. 18 Boards & Commissions Recognition Reception)	232.16	
08-17-05	Arthur's Party World	Table decorations (for Aug. 18 Boards & Commissions Recognition Reception)	34.31	
08-17-05	Michael's	Table decorations (for Aug. 18 Boards & Commissions Recognition Reception)	7.85	
08-17-05	Smart & Final	Napkins, plates, glasses (for Aug. 18 Boards & Commissions Recognition Reception)	105.67	
08-24-05	Touch of Mesquite	Catering services (for Aug. 18 Boards & Commissions Recognition Reception) *Note: See deposit 7-12-05.	1,035.55	
11-08-05	Lasting Impressions	Engraving perpetual plaque 2005 Community Service Award	18.75	
11-11-05	JoAnn's Fabric	Ribbon for certificates	6.11	
11-30-05	Travis Catering	Catering services for Joint luncheon meeting with Faith Community/City Council	676.67	
11-30-05	Lowe's	Table centerpieces for Joint luncheon meeting with Faith Community/City Council	87.64	

11-30-05	Fritz Chin Photography	Group photo 11"x14" for community service award recipients	189.00	
			<i>Total Expenditures:</i> (\$3,039.18)	<i>Ending Bal.</i> <b>\$8,960.82</b>



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## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Approve Downtown Lodi Business Partnership 2005/2006 annual report, adopt resolution of intent to levy annual assessment and set public hearing for January 4, 2006

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Management Analyst, City Manager's Office

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**RECOMMENDED ACTION:** Council action will be threefold: (1) To approve the Downtown Lodi Business Partnership (DLBP) 2005/2006 Annual Report as submitted by the DLBP Board of Directors, (2) To adopt a Resolution of Intention to levy an annual assessment for that fiscal year, and (3) To set a public hearing for January 4, 2006 to consider the levy of the proposed assessment.

**BACKGROUND INFORMATION:** Pursuant to Lodi Municipal Code Chapter 12.06 and Streets and Highways Code Section 36500 et seq., the DLBP membership Board is required to present an Annual Report (Exhibit A) for City Council's review and approval. This must be done prior to the public hearing and adoption of a Resolution confirming the 2005-06 Annual Report and levy of assessment. The City collects an administrative fee of five percent from the DLBP assessment. Representatives of the DLBP will be present and will make a presentation regarding the attached report. The levy of the annual assessment will be discussed at the January 4<sup>th</sup> meeting.

The report as submitted by DLBP contains a new special events policy with significant fees that apply to DLBP members and non members. Although the DLBP was given "control" over special events in the downtown area, the Agreement attached as Exhibit B to this council communication, does not provide any authority for the DLBP to charge fees for use of the downtown area. In addition, The City Council has authority to modify the Special Events Policy under the provisions of the Parking and Business Improvement Area law of 1989. Streets and Highways Code Section 36533 provides that a BID must file an annual report which shall include proposed assessments and a budget. In addition, subsection (b)(6) requires the report to include "The amount of any contributions to be made from sources other than assessments levied pursuant to this part." Subsection (c) then provides that the "City Council may approve the report as filed by the advisory board or may modify any particular contained in the report and approve it as modified." As such, any item within the report, including the Special Events Policy which provides for funding from "sources other than assessments" is subject to Council approval and modification.

**FISCAL IMPACT:** None

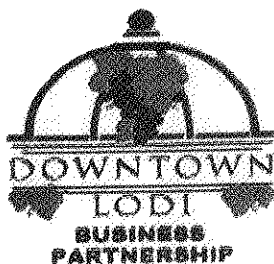
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Janet L. Hamilton  
Management Analyst

Attachments  
cc: Mary Wallace, DLBP Board Chair

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APPROVED: \_\_\_\_\_  
Blair King, City Manager



October 24, 2005

Mr. Blair King, City Manager  
City of Lodi  
221 W. Pine Street  
Lodi, Ca. 95241-1910

Re: Annual Report 2005/2006

Dear Blair:

Section 11.0 of the City Ordinance Number 1654, establishing the Downtown Lodi Business Improvement Area, requires that we submit to you in September of each year our annual report and budget.

In addition, the State of California Streets and Highways code, which is the enabling legislation, also specifies that certain additional information be provided. You will find all of the required information contained in our report.

We have provided you with seven copies, five for the City Council, one for the City Clerk and one for yourself.

Sincerely,

A handwritten signature in cursive script that reads "Mary L. Wallace".

Mary L. Wallace, President  
Board of Directors  
Downtown Lodi Business Partnership

Downtown Lodi Business Partnership  
4 West Pine Street P.O. Box 1565  
Lodi, Ca 95240  
(209) 369-8052 ph. (209) 369-8053 fax



2038309  
ENDORSED  
FILED

In the office of the Secretary of State  
of the State of California

MAR 31 1998

ARTICLES OF INCORPORATION OF  
DOWNTOWN LODI BUSINESS PARTNERSHIP

A California Nonprofit Mutual Benefit Corporation

*Bill Jones*  
BILL JONES, Secretary of State

One: The name of the corporation is Downtown Lodi Business Partnership (A California Nonprofit Mutual Benefit Corporation).

Two: This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

Such purposes for which this corporation is formed are to promote and improve the downtown Lodi business area, to generally improve business conditions in the downtown area, and to generally enhance the downtown area of the City of Lodi. Notwithstanding any other provision of these articles, this corporation shall not engage in any activities or exercise any powers that are not in furtherance of the purposes of this corporation.

Three: The name and address of the corporation's initial agent for service of process is Ronald M. Beckman, Esq., 111 N. Church Street, Lodi, California, 95240.

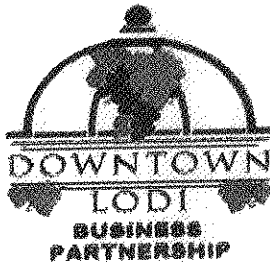
Four: The right to determine the consideration for which memberships will be issued shall be vested in the Regular Members, to be determined by a majority vote of the Regular Members in good standing.

Five: No part of the net earnings of the corporation shall inure to the benefit of any member or private shareholder, as defined for purposes of Section 501 (c) (5) of the Internal Revenue Code of 1954.

Dated: March 31, 1998

*Ronald M. Beckman*  
\_\_\_\_\_  
Ronald M. Beckman, Incorporator





## **2005/2006 Annual Report**

**Items listed below refer to Section 36533(b) of the California Streets and Highway Code:**

- No changes in boundaries of benefit zones within the area are proposed
- No physical improvements are planned
- Budget for the budget year July 1, 2005 through June 30, 2006 is enclosed (Exhibit B)
- A Benefit Fee Schedule and a Map of the Business Improvement Area are enclosed as Exhibits C & D respectively. There are no changes in the Benefit Fee Schedule.
- The Budget details all sources of income and projected expenses

## Exhibit A

The Downtown business community is important to the City's overall health and vitality. The myth:

- Downtown revitalization only benefits downtown,
- Is nothing more than an attempt to save a few declining businesses
- Only benefits those businesses which are located downtown

This myth **must be** dispelled by getting the word out. Downtown revitalization is an investment in the future health of the entire community. Economically depressed downtowns drag the rest of the city down as well. The condition of downtown has come to be viewed as a barometer with two factors that are critical to investors: a community's overall economic health, and the capacity of its private and public sector leaders. Investors, prospects and potential residents, tend to look at a community's downtown as an indication of the quality of life offered by that community. Downtown is the heart of the community.

Over the past seven plus years, our Downtown has become a source of great civic pride and accomplishment, becoming the model for redevelopment throughout the Central Valley and State. Visitors to our city often comment on how pristine our Downtown is. The Downtown Lodi Business Partnership (DLBP) in partnership with businesses, professionals, merchants, and the City, manages Downtown. We maintain an office staffed with an Executive Director and administrative staff, to serve as an advocate for the downtown, to develop and conduct ongoing public awareness and educational programs designed to enhance appreciation of the downtown's physical assets, commercial environment and cultural charm, provides day-to-day oversight of projects in progress, acts as a point person for all downtown-related inquiries and issues, fosters and maintains a cooperative working relationship with existing business owners, prospective developers, and governmental agencies. The staff maintains and disseminates data and information pertaining to specifics projects and events. We establish and administer procedures for the use of streets for various activities and events, conduct events, develop and implement marketing for Downtown.

While this year has been challenging, the DLBP has continued to involve, develop, and promote downtown. Our by laws state our purpose with a common business interest of merchants, services, and professionals. Our very active and diverse board of directors is the main leadership element, providing varying expertise in a broad range of subjects.

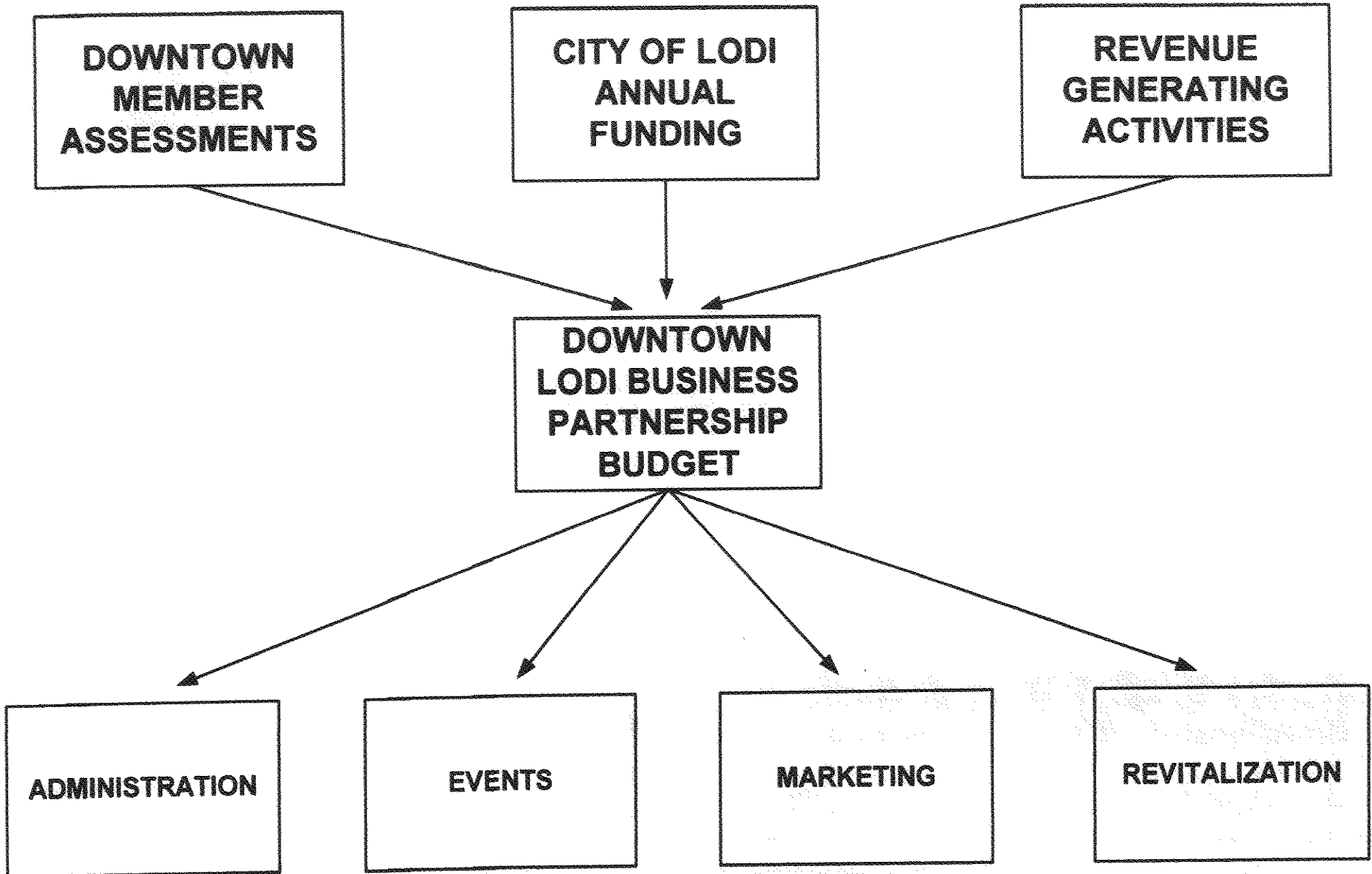
During the past year, we have:

- Set up an Economic Development Committee to coordinate and interface with the City's overall economic development program.
- Developed and implemented the DLBP event policy, contract and fee schedule ( see attached )

- Parking Committee and staff continued to work with city staff on parking management. It should be noted that while many consider parking a problem, we would consider it a bigger problem if there were no vehicles downtown.
- Collaborated and developed relationships with the Lodi Conference and Visitors Bureau, Chamber of Commerce, Wine Grape Commission, Hutchins Street Square, and the City of Lodi to form a group called "Destination Lodi". We meet monthly to discuss partnering to promote Lodi. We spent one full day with a facilitator discussing marketing of Lodi. At the end of the day, it was decided that we have two major areas to market; our wine appellation and Downtown.
- Supported, with enthusiasm, the City, in a program to bring tasting rooms downtown.
- In cooperation with our Faith community, partnered with the Family Faith Festival and 40 Days of community
- Worked with the City transportation manager to promote public transportation in Downtown Lodi. The manager sits on our Parade of Lights committee and is working to establish shuttle buses for the Parade.
- Continued to hold our Signature events: the Farmers Market and the Parade of Lights. Our Farmer's Market continued to grow and is rated one of the top in the State. The Parade of Lights was fantastic with one hundred entries.
- Adopted the Walldogs under our DLBP umbrella and are working in collaboration to insure a success event for our centennial celebration.

Our work is not complete; we still have much to do to reach our ultimate goals for Downtown. It is critical that the City continue to fund the Downtown Lodi Business Partnership for us to be successful. A thriving and successful Downtown will benefit the whole community's overall economic health. We want to thank the City Council and City staff for their continued support. We look forward to working with the City in achieving successes for Downtown Lodi.

# **DOWNTOWN LODI BUSINESS PARTNERSHIP OVERVIEW**



**DOWNTOWN LODI BUSINESS PARTNERSHIP  
PROPOSED BUDGET**

**JULY 1, 2005 THROUGH JUNE 30 2006**

**INCOME**

Assessment Fees	34500.00
City of Lodi	44650.00
Banner Program	2500.00
Brews & Blues	5000.00
Easter Promotion	1500.00
Farmers Market	55000.00
Kiddie Parade	1000.00
Octoberfest	3000.00
Parade of Lights	15000.00
Wine & Sausag Festival	5000.00
Winterfest	6000.00
Miscellaneous Events & Sales	4000.00

<b>TOTAL INCOME</b>	<u>177150.00</u>
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**EVENT EXPENSES**

Banner Program	1000.00
Brews & Blues	1000.00
Centennial Celebration	1000.00
Easter Promotion	500.00
Farmers Market	24000.00
Kiddie Parade	300.00
Octoberfest	1000.00
Parade of Lights	5000.00
Walldogs	1000.00
Wine & Sausage Festival	1000.00
Winterfest	4000.00
Miscellaneous	1000.00

40800.00

**MARKETING EXPENSES**

Marketing Campaigns	10000.00
Mileage & Meetings	1000.00
Web Page Update	4000.00
Advertising & Promotion	5000.00

20000.00

**REVITALIZATION**

Brochure (Historical Walking Tour)	2000.00
Kiosk Update	2000.00
Placques & Trophies	1500.00
Quarterly Meetings	800.00
Sunshine Committee	600.00
Training & Information Seminars	1000.00
Tree Light Maintenance	3000.00

10900.00

**ADMINISTRATIVE EXPENSES**

Bank Fees	500.00
Insurance	12000.00
Office Supplies	2810.00
Office Equipment	2500.00
Postage	1600.00
Payroll Expense	78000.00
Professional Fees	1000.00
Rent	5040.00
Telephone	2000.00

105450.00

<b>TOTAL EXPENSES</b>	<u>177150.00</u>
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<b>NET INCOME</b>	<u>0.00</u>
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**EXHIBIT B**

**Downtown Lodi Business Partnership****Profit & Loss**

July 2004 through June 2005

Cash Basis

	Jul '04 - Jun 05
Ordinary Income/Expense	
Income	
Assessment Fees Collected	39,092.50
City of Lodi Funds	43,234.01
Returned check	0.00
Banner Programs	
Farmers Market	2,300.00
Holiday	1,925.00
Banner Programs - Other	0.00
Total Banner Programs	4,225.00
Family Faith Festival 04	18,037.00
Family Faith Festival 2005	4,000.00
2004 Farmers Market	
Star Search entry	140.00
Adopt-A-Banner	825.00
Coupon Book	20.00
Sales-Beer & Wine	17,481.35
2004 Farmers Market - Other	18,339.59
Total 2004 Farmers Market	36,805.94
2005 Farmer Market	
Craft Vendor Fees	7,822.45
Food Vendor Fees	3,342.55
Grower/Produce Vendor Fees	2,970.50
Member Vendor Fees	1,500.00
Sales Beer & Wine	2,423.00
Sponsorship-Other	6,666.00
Refunds	-245.00
Total 2005 Farmer Market	24,479.50
'04 Kiddie Parade	
Coupon	20.00
Food Vendor	40.00
Sales of Water	6.25
Sponsorship	500.00
Total '04 Kiddie Parade	566.25
Parade of Lights 2004	
Float Entry	8,400.00
Sponsorship	2,500.00
Vendor Fee	1,415.00
Total Parade of Lights 2004	12,315.00
Parade of Lights 2005	
Vendor Fee	300.00
Sponsorship	50.00
Total Parade of Lights 2005	350.00
Photos With Easter Bunny	775.00
See's Candy Fundraiser	18,316.68
Uncategorized Income	0.00
Wine & Sausage Festival	4,955.25
Winterfest - Income	
Photos w/ Santa	
Sponsorship	450.00
Photos w/ Santa - Other	2,337.00
Total Photos w/ Santa	2,787.00
Sponsorship	1,571.00
Total Winterfest - Income	4,358.00
Total Income	211,510.13

# Downtown Lodi Business Partnership

## Profit & Loss

July 2004 through June 2005

Cash Basis

	Jul '04 - Jun 05
<b>Expense</b>	
Event Expense-Miscellaneous	
Rentals	207.09
Supplies Misc.	238.05
Event Expense-Miscellaneous - Other	30.60
<b>Total Event Expense-Miscellaneous</b>	<b>475.74</b>
Banner Program	
Labor	150.00
<b>Total Banner Program</b>	<b>150.00</b>
Family Faith Festival-	
Advertising	716.34
Donation	225.00
Entertainment	18,527.62
Labor	288.00
Permits	404.00
Postage & Delivery	96.20
Posters/Banners/Signs	1,215.50
Reimbursement	300.49
Sanitation	314.33
Supplies	787.54
Family Faith Festival- - Other	0.00
<b>Total Family Faith Festival-</b>	<b>22,875.02</b>
Farmers Market Expenses	
Advertising	1,712.05
Banners	3,968.58
Beer & Wine	9,192.15
Coupon Book	39.48
Entertainment	2,190.00
Labor/Repairs	2,831.84
License/Permits/Inspections	2,251.22
Plaques	53.00
Postage & Delivery	153.15
Posters/Signs	283.57
Promotions	490.80
Rental	795.00
Sanitation	1,178.50
Supplies	249.45
Farmers Market Expenses - Other	49.19
<b>Total Farmers Market Expenses</b>	<b>25,437.98</b>
Halloween Event	
Advertising	711.76
Labor	66.00
Permits	32.00
Supplies	289.13
<b>Total Halloween Event</b>	<b>1,098.89</b>
Kiddie's Parade	
Advertising	543.12
Grand Prize Winner	100.00
Ice Cream	28.25
Labor/Emcee	265.00
Merchants Notification	47.41
Permit/Inspections/License	32.00
Plaque-Sponsorship	53.50
Supplies	539.93
<b>Total Kiddie's Parade</b>	<b>1,609.21</b>



Cash Basis

# Downtown Lodi Business Partnership

## Profit & Loss

July 2004 through June 2005

	Jul '04 - Jun '05
<b>Parade of Lights</b>	
Advertising	3,873.48
Entertainment/Decor	1,146.31
Labor	192.00
Permits/Inspections/License	752.75
Sanitation	351.09
Supplies	122.60
<b>Total Parade of Lights</b>	6,438.23
<b>Spring Event</b>	
Advertising	23.17
Permits	32.00
Supplies	732.50
<b>Total Spring Event</b>	787.67
<b>Star Search</b>	
Grand Prize Winners	1,000.00
<b>Total Star Search</b>	1,000.00
<b>Valentine's Day</b>	
Materials & Supplies	11.31
<b>Total Valentine's Day</b>	11.31
<b>Wine and Sausage Festival</b>	2,191.66
<b>WinterFest</b>	
Advertising	1,264.80
Banners	4,423.95
Entertainment	3,111.70
Labor	810.90
Permits	64.00
Supplies	1,568.12
<b>Total WinterFest</b>	11,243.47
<b>Advertising</b>	
Newspaper	200.00
Posters/Banners/Signs	144.00
Advertising - Other	220.65
<b>Total Advertising</b>	564.65
<b>Bank Service Charges</b>	389.22
<b>Board Appreciation</b>	199.34
<b>Candy Sales</b>	13,128.72
<b>Credit Card Fees</b>	412.54
<b>Dues &amp; Subscriptions</b>	950.58
<b>Helium Tank Rental</b>	145.44
<b>Insurance</b>	
Liability Insurance	8,717.22
Medical	1,170.00
Work Comp	2,872.60
Insurance - Other	583.03
<b>Total Insurance</b>	13,342.85
<b>Meetings</b>	762.78
<b>Mileage</b>	241.15
<b>Miscellaneous</b>	809.96
<b>Newsletter</b>	265.78
<b>Office Supplies</b>	5,472.34
<b>Outside Services</b>	295.85
<b>Postage and Delivery</b>	
Postage by Phone	655.97
Postage and Delivery - Other	1,032.43
<b>Total Postage and Delivery</b>	1,688.40

**Downtown Lodi Business Partnership  
Profit & Loss**

July 2004 through June 2005

Cash Basis

	Jul '04 - Jun 05
Payroll Expense	
Administrator Salaries	58,016.59
Office Salaries	35,568.99
Payroll Tax Expense	3,113.34
Payroll Expense - Other	-25,732.70
Total Payroll Expense	70,966.22
Professional Fees	
Accounting	675.00
Bookkeeping	150.00
Professional Fees - Other	790.00
Total Professional Fees	1,615.00
Promotions	213.01
Reimbursements	400.00
Rent	5,040.00
Repairs	
Computer Repairs/service	300.00
Repairs - Other	303.51
Total Repairs	603.51
Returned Check Fee	-15.41
Sunshine Committee	204.54
Supplies	294.78
Taxes	
State	1,117.84
Total Taxes	1,117.84
Telephone	
Cell Phone	943.27
Internet	476.46
Telephone - Other	1,006.46
Total Telephone	2,426.19
Tree Lights	80.41
Total Expense	194,934.87
Net Ordinary Income	16,575.26
Other Income/Expense	
Other Income	
Interest Income	133.60
Total Other Income	133.60
Net Other Income	133.60
Net Income	16,708.86

**EXHIBIT C**  
**Downtown Lodi Business Partnership**  
**Benefit Fee Schedule**

	ZONE A	ZONE B
Retailers and Restaurants	\$200. (1-3 emp.) \$300. (4-6 emp.) \$400. (7 + emp.)	\$100. \$150. \$200.
Service Businesses	\$150.	\$ 75.
Professional Business	\$100.	\$ 50.
Financial Institutions	\$500.	\$500.

Note: Retail and restaurant businesses will be charged on size which will determined by the number of employees, either full-time or the equivalent made up of multiples of part-time employees.

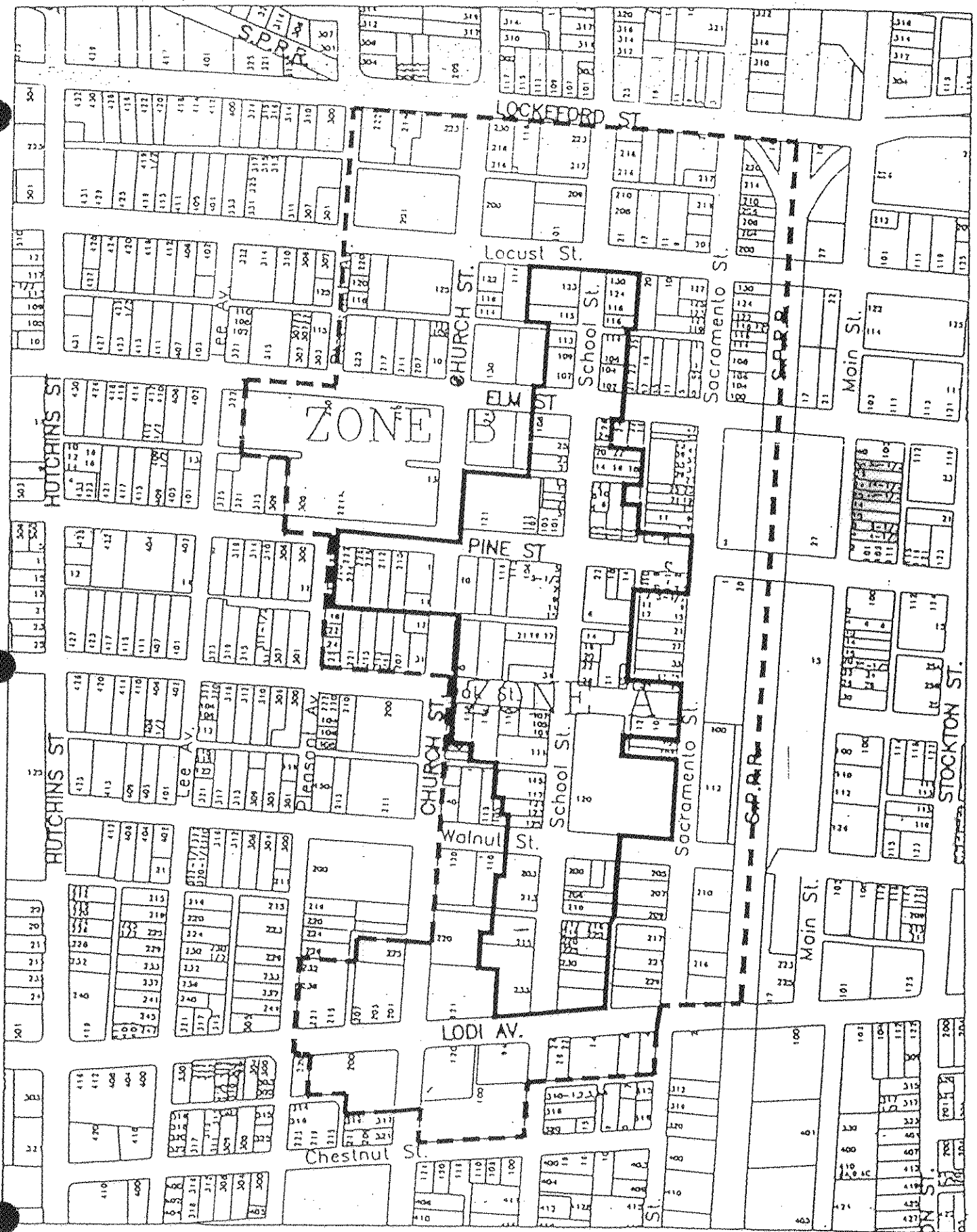
**Business type definitions:**

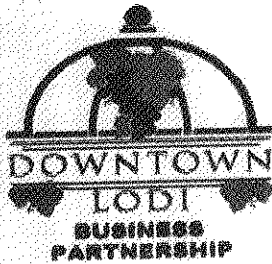
**Retail and Restaurant:** Businesses that buy and resell goods, examples are clothing stores, shoe stores, office supplies as well as businesses that sell prepared foods and drinks.

**Service Businesses:** Businesses that sell services. Examples are beauty and barber shops, repair shops, lodging, most automotive-oriented businesses, entertainment businesses such as theaters, etc.

**Professional Businesses:** Includes Architects, Engineers, Attorneys, Dentists, Doctors, Accountants, Optometrists, Realtors, Insurance Offices, Mortgage Brokers and most other businesses that require advanced and/or specialized licenses and/or advanced academic degrees.

**Financial Institutions:** Includes banking and savings and loan institutions as well as credit unions, etc.





## **DOWNTOWN LODI BUSINESS PARTNERSHIP**

### **MISSION STATEMENT**

Under agreement with the City of Lodi, the Downtown Lodi Business Partnership (DLBP) manages the Downtown Business Improvement Area (BIA), and works in partnership with businesses, property owners, cultural institutions and local city officials to enhance the revitalization efforts of downtown Lodi. Since it's inception, the Downtown Lodi Business Partnership has been instrumental in the tremendous growth and vibrancy of the downtown community.

**The mission statement of the DLBP is to:**

- **Encourage the development of new businesses, while retaining and revitalizing existing businesses**
- **Promote retail activity by creating and maintaining a quality environment through cooperative advertising and special events in the downtown area**
- **Serve as an advocate for downtown businesses in dealing with local government, maintenance projects, the media and general public**



## **The Brown Act**

The DLBP complies with the Ralph M. Brown Act for its board meetings, general meetings and standing committee meetings.

Agendas of board meetings, general meetings or standing committee meetings shall be publicly posted 72 hours in advance of that meeting.

All DLBP meetings are open to the public. The only exceptions for closed meetings are for personnel issues and litigation issues.

For DLBP board meetings and general meetings, a copy of the meeting agendas are sent to board members via email, delivered to those without email, and posted in the window of the DLBP office located at 4 W. Pine Street.

A copy of the agenda for those meetings is also sent to The Lodi News Sentinel and The Stockton Record.

For committee meetings, the agendas are posted in the window of the DLBP office for public review.

For specific terms of the Brown Act, please refer to the Brown Act file located in the DLBP office.

## Events

### Overview:

- Develop Events that are not exclusive to marketing the Downtown, but the city of Lodi
- Develop Events that hold a recognized theme
- Modify the Farmers Market Event to include participants to fall into the category of "Homemade" and "Homegrown".
- Develop Partnerships with various groups/clubs to incorporate their heritage into our events that contain a theme.
- Implement the Downtown Lodi Business Partnership Event Policy

# 2006 DOWNTOWN LODI CALENDAR OF EVENTS

## DLBP EVENTS

VALENTINE'S DAY RETAIL PROMOTION  
ST. PATRICK'S DAY CELEBRATION  
SACRAMENTO STREET CAR SHOW  
SPRING SIDEWALK EGGS-TRAVAGANZA  
PHOTOS WITH THE EASTER BUNNY  
WALL DOGS CENTINNIAL CELEBRATION  
CINCO DE MAYO CELEBRATION  
HISTORIC WALKING TOUR  
MOTHER'S DAY PROMOTION  
FARMERS MARKET & FESTIVAL  
WINE & SAUSAGE FESTIVAL  
FATHER'S DAY PROMOTION  
BREWS & BLUES FESTIVAL  
BACK-TO-SCHOOL SIDEWALK SALE  
69th ANNUAL KIDDIE PARADE  
OKTOBERFEST  
SAFE-HALLOWEEN  
WINTERFEST  
PHOTOS WITH SANTA &  
VICTORIAN-ERA CARRIAGE RIDES  
MERCHANT WINDOW DISPLAY CONTEST  
11th ANNUAL PARADE OF LIGHTS  
NEW YEAR'S EVE CELEBRATION

Saturday, Feb. 11  
Friday, March 17  
Saturday, April 1  
Saturday, April 15  
Saturday, April 15  
Sunday, April 16  
April 28 - May 31  
Friday, May 5  
Weekends beginning  
In May  
Saturday, May 13  
Thursdays  
June 1 - Sept. 28  
Sunday, June 11  
Saturday, June 17  
Sunday, July 23  
Saturday, Aug. 5  
Saturday, Sept. 16  
Sunday, Oct. 15  
Saturday, Oct. 28  
Saturday, Nov. 25  
Saturdays  
Nov. 25 - Dec. 16  
Nov. 25 - Dec. 31  
Thursday, Dec. 7  
Sunday, Dec. 31

## NON-DLBP EVENTS

SCHOOL STREET STROLL  
LODI STREET FAIRE

Fridays (tentative)  
April 14 & Oct. 13  
Sundays (tentative)  
May 7 & Oct. 1

## 2006

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
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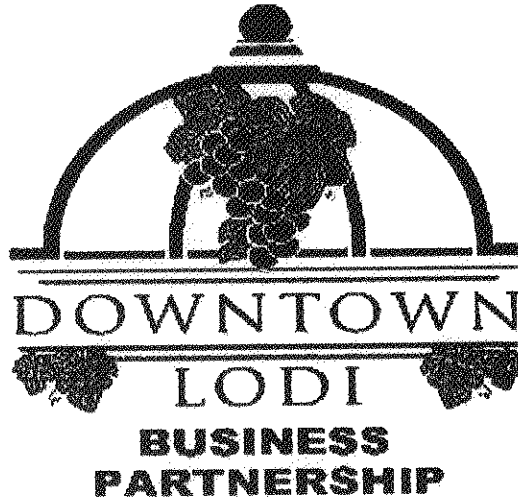
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## **Downtown Lodi Business Partnership**



# **Special Events Policy**

2005

**Event & Promotions Committee**

## Downtown Lodi Special Event Permit – Application & Fees

### COMMERCIAL ORGANIZATIONS (FOR-PROFIT)

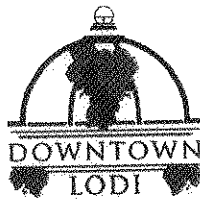
CLASS	ANTICIPATED ATTENDANCE	APPLICATION FEE	PERMIT FEE
A	50,000	\$ 150.00	\$15,000.00
B	20,000 – 49,000	\$ 150.00	\$8,000.00
C	10,000 – 19,000	\$ 100.00	\$ 5,000.00
D	2,000 – 9,999	\$ 100.00	\$ 2,500.00
E	250 – 1,999	\$ 100.00	\$ 500.00

### NON-PROFIT ORGANIZATIONS AND/OR DLBP MEMBERS

CLASS	ANTICIPATED ATTENDANCE	APPLICATION FEE	PERMIT FEE
A	50,000	\$ 100.00	\$ 9,000.00
B	20,000 – 49,000	\$ 100.00	\$ 3,000.00
C	10,000 – 19,000	\$ 50.00	\$ 1,500.00
D	2,000 – 9,999	\$ 50.00	\$ 750.00
E	250 – 1,999	\$ 50.00	\$ 250.00

### CHARITABLE EVENTS

CLASS	ANTICIPATED ATTENDANCE	APPLICATION FEE	PERMIT FEE
A	50,000	\$ 100.00	\$ 3,000.00
B	20,000 – 49,000	\$ 100.00	\$ 1,500.00
C	10,000 – 19,000	\$ 50.00	\$ 750.00
D	2,000 – 9,999	\$ 50.00	\$ 250.00
E	250 – 1,999	\$ 50.00	\$ 0



## **DOWNTOWN LODI SPECIAL EVENTS POLICY**

This document outlines the guidelines for the implementation of a special event in the Lodi Downtown Area, as set forth by the Downtown Lodi Business Partnership (DLBP). It defines, categorizes, and sets a fee structure for Special Events held within the Business Improvement Area (BIA).

### **PURPOSE**

It is the purpose of this policy to regulate and standardize the process of holding a special event in Downtown Lodi so that such events can be held with the safety and health of the participants in mind, the protection of public property considered, and the impact of the event on non-participating citizens minimized. A corollary purpose to this policy is to ensure that those who benefit from an event bear the cost of the event. This includes any special requirements or demands from the Downtown Lodi Business Partnership and/or City of Lodi.

Community festivals and special events serve to promote tourism, showcase local talent, expose artists and performers to new audiences, invigorate community spirit, revitalize the downtown area and contribute substantial economic and social benefits to the local community. In recognition of these benefits, it is the policy of the Downtown Lodi Business Partnership to encourage community activities which promote tourism, foster the economic revitalization and growth of the downtown area while increasing the cultural activities available to the residents of the Lodi area.

The Downtown Lodi Business Partnership recognizes the complexity of implementing a special event and encourages the applicant to utilize the resources and knowledge provided by the Special Events staff. The success of a special event in the downtown area benefits both the applicant as well the Downtown Lodi Business Partnership. The DLBP is committed to working hand-in-hand with the surrounding community in an effort to achieve highly successful and mutually beneficial special events in the downtown area. Downtown Lodi is host to many public outdoor events on an annual basis. As you begin the planning process for your event, it is important to recognize that your activity plays a unique part in the relationship

we have with each individual within the community and that the quality of your event can make a considerable difference to the City of Lodi. Our outdoor events add to the character of the downtown area and provide an opportunity for merchants, vendors, residents and guests to interact with one another. This information below is intended to help you better understand the DLBP's outdoor event permit procedure and provide helpful tips to help facilitate your planning process.

## PERMIT PROCESS

In order to process your Special Event Permit application, it must be received by the Downtown Lodi Business Partnership no less than 120 days prior to the actual date of your event. The DLBP's Special Events Committee (SEC) shall be responsible for coordinating and approving the permitting of all outdoor events, including each of its components. Generally, the scheduling and review of events shall be on a first come, first served basis. In addition to obtaining the event permit, there are several other permits which may need to be acquired; you will read more about these types of permits throughout this packet. It is our goal to assist every event organizer in properly planning safe and successful events which have minimal impact to the daily business operations of our local merchants and business owners.

## HOW TO SUBMIT YOUR SPECIAL EVENT PERMIT APPLICATION

After you have carefully developed your outdoor event plan, submit your proposed event description and plan to the DLBP on the forms enclosed. Please be aware that failure to submit your application in a timely manner, or submitting an incomplete application, may result in a delay of the approval process. Applications which are not completed in their entirety will be returned and will not be reviewed by the SEC until all information has been completed in full.

Once you have submitted your Special Event Permit Application to the DLBP, you will be contacted to schedule a meeting with the Special Events Committee, a group comprised of DLBP Event Staff, Board Members and local merchants.

We hope that you find these instructions helpful. Should you have any questions or require further assistance, please do not hesitate to contact the Downtown Lodi Business Partnership Special Events Department at (209) 369-8052.

*Thank you for your interest in Historic Downtown Lodi as the venue-of-choice for your event!!!*

## DEFINITIONS

- **Application:** A written request on forms supplied by the DLBP Special Events Committee (SEC) which sets forth the information required to be provided by this policy.
- **City** shall refer to the City of Lodi
- **City-Sponsored Event:** A public event which is directly related to a recognized function of city government and which is in major part initiated, financed and executed by the City. It does not include events in which the City is merely listed as a co-sponsor if the City does not carry a major share of the burden of initiating, financing and executing the event.
- **Downtown Lodi Business Partnership (DLBP):** The organization responsible, as mandated by its member businesses and the City of Lodi, to oversee, manage and market the activities and events which occur within the Business Improvement Area (BIA).
- **Downtown Business Improvement /Festival Area (BIA):** The streets and businesses within the downtown district which make up the Business Improvement Area (see attached map).
- **Event Bond/Deposit:** A bond/deposit conditioned upon good performance which shall be required of any applicant who proposes to do the cleaning of streets or festival areas in connection with an approved special event. This bond/deposit will provide coverage for any damages in connection with the special event.
- **Extra Personnel Hours:** The total of the number of all hours worked by DLBP and city employees in the particular departments or areas under consideration for classification purposes in connection with the production of the special event in question, to the extent that such hours exceed the total number of hours which would have been worked by those same city employees in the same location had the special event not taken place. Excluded from this definition are the personnel hours worked by the SEC or DLBP staff designated to fulfill the function of the Special Events Committee on any particular occasion.
- **Party:** Shall refer to the applicant who makes a request to hold a Special Event.
- **Political Demonstration:** A public gathering, procession or parade, the primary purpose of which is the exercise of the rights of assembly and free speech as guaranteed by the First Amendment to the

Constitution of the United States. The fact that such an event may be advertised as a "special event" does not in and of itself bring such a demonstration within the scope of this policy.

- **Special Event:** Refers to outdoor events that include, but are not limited to, the following: fair, carnival, circus, parade, concert, walk or run, graduation, block party or other festival, ceremony, rally, procession, or mass gathering. A Special Event may also involve selling, advertising, and/or promoting. The policy includes events held on private property if the event affects or impacts any part of the downtown business improvement area or otherwise extends beyond the boundaries of the immediate property.
- **Special Events Committee (SEC):** An appointed committee of representatives from the Downtown Lodi Business Partnership who may be affected by a special event. The committee purpose shall be to review and evaluate a party's application for approval/denial by the DLBP Board of Directors.
- **Downtown Events Coordinator (DEC):** The person(s)/department(s) designated by the DLBP Special Events Committee to carry out the functions of this policy. In addition to the functions listed hereafter, the Downtown Events Coordinator will act as the communicator and liaison to the party requesting a special event and will be responsible for monitoring the submittal of charges, fees, deposits and appropriate insurance requirements. The DEC will also review all applications for completeness prior to submittal to the SEC for review.
- **Permit Fee:** The fee required to be paid by an organization or entity for the issuance of an agreement to hold a public festival or event in the downtown area.
- **Application Fee:** The non-refundable fee required upon submission of your application packet in order to cover the costs of processing and verifying the information provided.

## CRITERIA FOR EVALUATING SPECIAL EVENTS

- The DLBP encourages the production of special events which will attract people downtown and help stimulate a positive downtown environment. The DLBP Special Events Committee shall be charged with the responsibility of determining whether or not a particular applicant shall be entitled to hold a special event within the boundaries of the BIA, and in determining whether to grant or deny a particular application, shall take into account the effect the proposed special event will have upon the environment, the business climate, and the public health and safety of downtown merchants,

residents and guests. The SEC shall also take into account the frequency with which such events are held and the convenience of the public and merchants in relation thereto.

**The DLBP Special Events Committee will also consider:**

- How well the applicant, insofar as it can be determined, appears capable or incapable of executing the planned special event;
- Whether any inconvenience which may be suffered by the general public or member businesses is outweighed by the potential benefit to the downtown community as a whole;
- Whether budgetary considerations at the time of the application create such a heavy burden upon DLBP or financial resources that it would not be practical to hold the proposed special event at the time requested;
- Whether the holding of the special event as planned would create an undue burden upon the manpower resources of the DLBP or City; and
- Whether the health and safety of the public, or downtown economy, would be compromised substantially.

**In addition to the criteria above, the DLBP shall take into account the following considerations:**

- The extent to which the event contributes to the promotion of tourism.
- The extent to which the event contributes to economic revitalization.
- The extent to which the event increases cultural programming available to residents of the Lodi area.
- The impact of the event on the environment.
- The frequency of the same or similar event(s).

## **SPECIAL EVENT APPLICATIONS**

Parties who wish to make a request for a Special Event should contact the DLBP's Administrative Office during standard office hours for a complete Special Event Application Packet. The completed request form shall be submitted to the DLBP no less than 120 days prior to the requested date. Applications will be accepted on a first-come, first-served basis. However, returning events have ninety (90) days from the last day of that event to submit their application for the following year's adjusted dates. After the ninety (90) days, all events may be scheduled on a first-come, first-served basis, regardless of previous use. The party will be notified of the other departments and organizations that should be contacted.

It is recognized that circumstances surrounding requests for Special Events may require varying amounts of attention, time, and effort devoted to the process and procedure of approving or denying the request. Therefore, it is understood that every effort will be made to respond and make a decision on a request within a reasonable period of time. It is also expected that the party making the request will anticipate a reasonable length of lead time required to make a final decision.

When two or more parties make a request for the same area on the same date, a compromise agreement between the parties will be attempted. In the case where a conflict cannot be resolved, the final determination for granting a special event request remains with the Special Events Coordinator.

### **The application must include the following information:**

1. The name of the special event and its purpose in general terms.
2. The name(s) of the person(s) or organization(s) sponsoring said special event, together with the addresses and telephone numbers of all such persons or organizations.
3. The date or dates of the proposed special event.
4. The specific location(s) within the Downtown Lodi area where the proposed event would take place.
5. The number of persons estimated to be in attendance at such event.
6. Whether any street closures are requested, and, if so, the number of streets and when.



7. Whether any beer, wine, or other spiritous beverages are expected to be present and/or sold for public consumption, together with a detailed proposal for any such sale, indicating among other things, who is expected to be the vendor or vendors, whether such vendor or vendors presently hold any type of license for on-premises consumption of alcoholic beverages, and stating the exact locations and times for such sales.
8. Whether any temporary outdoor structures (i.e. staging, awnings, tents, scaffolding, etc.) are proposed to be built, describing them in detail.
9. Whether any signs or banners are proposed to be erected, giving details.
10. Any parades, road races, etc. planned in connection with such event, stating details; including the time, location and anticipated crowd.
11. Whether entertainment will be involved, giving details as to nature, time and place.
12. Whether there will be street vendors or peddlers involved, giving details, including specifically contracted or regularly licensed vendors and peddlers.
13. Whether the applicant proposes either in whole or in part to be responsible for cleaning up the area used, specifying details.
14. Whether the applicant proposes to hire security guards or off-duty officers to assist in security and traffic control, giving details.
15. Whether utility services such as electrical power or water will be required specifying amount and type.
16. Whether electrical wiring shall be installed, specifying installation details.
17. A proposed parking plan.
18. Traffic control plan.
19. A plan for emergency health services to be forwarded to the Health Department.
20. A plan which addresses the needs of persons with disabilities.

21. The applicant should specify any service, material, or property which is expected to be provided by the DLBP or the city. Special Events will be limited to city property that can accommodate the event.
22. Event holders who wish to use other city property must file a detailed event plan including a map of the event.

## APPLICATION REVIEW

When the applicant submits a Special Event application, the Special Events Committee will review the application to determine the impact the event will have on the public, if special City services will be required, and what additional licenses and permits are needed (encroachment permit, re-seller's license, health permit, etc.). If an event is considered closed to the public or if streets will be closed, the Special Events Coordinator may request the sponsor contact neighboring residents and/or merchants for permission.

The following DLBP, City & County Departments will be involved in reviewing specific portions of the Special Event Application:

1. **DLBP Administrative Office:** Will review all applications and disseminate information to the appropriate departments involved, establish special needs or requirements, review and determine all necessary licenses and permits, and review all operating, logistical and cleanup plans. Will determine whether requested property is available at the requested date/s and if the event conforms to the DLBP's Special Event Policy.
2. **City of Lodi - Public Works Department:** Will review all plans for temporary structures, street closures and proposed activities which will occur in the public-right-of-way and, if the request is approved, provide the appropriate permits. This Department shall also review all plans pertaining to sanitation, pre and post-event street cleaning, and determine any additional barricade and street closure requirements and/or equipment needs
3. **San Joaquin County Health Department:** Will review all plans including medical and environmental hazards, on-site food vending, and other health and safety requirements. Approval by this Department will require a Temporary Event Permit and in the case of on-site food sales, a Temporary Event Health Permit.
4. **City of Lodi - Fire Department:** Will review all plans to determine life safety hazards, fire personnel and accessibility issues.

5. City of Lodi - Police Department: Will review all plans for security, parking, and traffic, noise and crowd control.
6. City of Lodi - Risk Manager: Will review all plans to determine appropriate
7. insurance levels and liability requirements.
8. City of Lodi - Transportation Division: Will review all plans pertaining to mass transportation, and the use of public parking structures and lots.

## **Downtown Lodi Business Partnership 2006 Marketing Plan**

### **Objective:**

Through advertising, events, and special merchant promotions that highlight our businesses and historic buildings and streets, the Downtown Lodi Business Partnership's marketing goal is to bring visitors and residents to Downtown.

### **Goals:**

The main goal of the DLBP is to bring more customers and businesses to the downtown, therefore, increasing the tax base. The DLBP will work together with organizations such as the Conference and Visitors Bureau, Chamber of Commerce, Hutchins Street, Wine Grape Commission, and the City of Lodi to develop collaborative events and promotions that will help market and promote not only Downtown Lodi, but the City of Lodi as well. The DLBP is looking forward to partnering with the viticulture community in an effort to bring the wine industry to Downtown Lodi. The DLBP will continue to work on strengthening its relationship with the downtown merchants by offering a full program of services to our members:

- Quarterly newsletters
- Quarterly Member Meetings
- New Business Information Packets
- Parking Management Committee
- Marketing & Promotions Committee
- DLBP office staff to serve the membership and public
- Serve as an advisory advocate for the membership with the City of Lodi
- Sunshine Committee

## **Advertising & Promotional Tools**

### **Newspaper:**

The Lodi News-Sentinel has been our primary source of advertising. Through the News-Sentinel, we promote Downtown with our own special pull-out Tabloid section eight times a year. This tool has been very beneficial for our membership and our organization. It has served to advertise our special events, inform the public with educational articles written by our membership, and give membership a discounted advertising rate.

Additionally, we use the Galt Herald, the Stockton Record, and the Pennysaver/Local Living on a limited basis for promoting events and media alerts.

### **Website:**

The DLBP is working to improve our Website, which is currently down for construction. Our goal is to make the Website a user friendly tool for the public to find information on Downtown.. It will provide links to various organizations and the City of Lodi. We will also encourage our membership to further develop their own Websites.

### **Banners:**

The DLBP launched it's "sponsor a banner" program in June 2004. The campaign coincides with the Farmers Market and the Holiday Season. The campaign is a beneficial tool for the merchants to advertise and for the DLBP to promote events through the year.

### **Brochures:**

It was decided not to issue a new Downtown brochure this year, but rather partner with the Chamber of Commerce and place an ad in their new map. Since the Conference & Visitors Bureau is also publishing a tear off map to be placed in hotels and businesses, it was felt that three maps were not needed. However, we are currently working on a historic walking tour of Downtown that will highlight historical points of interest and perhaps can include a Walldog map.

**Member Promotion and Public Relations:**

The DLBP will continue to feature businesses profiles in our Tabloid and encourage the Lodi-Sentinel to profile downtown businesses on a regular basis. Press releases will continue to be Issued for new and expanding businesses downtown.

**Shop Downtown Lodi First Program:**

The purpose of this program is to convince consumers to shop Lodi first before going out of town. Shopping locally permits the local businesses to expand and allows them to underwrite community events, support charities, sponsor youth activities and generally help the community from which they derive their will being.

Sales tax is on of the most important sources of funding that pays for the City of Lodi police, fire, maintenance personnel, street services and all other city functions. We can help improve our tax base.

Shop Lodi goals are to increase purchases made in Lodi, thereby increasing retail sales and sales tax revenue. The purpose of this program is to educate the public and increase community awareness of the benefits of making their purchases in Lodi. We will continue to enlist the cooperation of the City of Lodi, the Chamber, and the Lodi Visitors & Convention Bureau to promote the Shop Lodi First program.

**Niche Marketing:**

This marketing concept works well in our area since there are a good number of like businesses that can be marketed as a group. This concept will continue to be used with the restaurant guide in the newspaper Tabloid, articles, group ads, and additional promotions. We will continue to partner with Hutchins Street in promoting dinner and a night at Hutchins Street.

**Kiosk Program:**

Along with being an attractive staple of Downtown Lodi, the kiosk program has also become a great advertising tool for local arts, entertainment, and events. The DLBP is looking to refurbish the kiosks this next year and will work to make the program even better.

**Transparency at Wine & Visitors Center:**

The DLBP would like to partner with the Wine & Visitors Center to have an appropriate advertisement for Downtown Lodi at the center to encourage visitors to come Downtown.

**Billboards:**

We would like to consider partnering with other groups to have a billboard along either Rte.99 or Rte. 5.

**Events:**

The Downtown Lodi Business Partnership will continue to rely on events held throughout the year to help promote and market Downtown. In addition to our celebratory and signature events, the DLBP will be adding more retail promotions in an effort to increase business for the merchants. A calendar of proposed events for 2006 is enclosed in this packet.



## **DEVELOPING A STRATEGIC PLAN**

The Board approved a Vision Plan, which included six parts. This is the consolidated action steps from each of you. The Board now needs to establish priorities and a timetable.

### **1. INVOLVE ALL DOWNTOWN MERCHANTS**

- Establish communication methods & guidelines (e-mail, fax, phone, personal visits, newsletter)
- Do a survey with merchants (need to find their expectants, talents, and level of involvement)
- Each Board meeting to include report (merchant visits, involvement, questions, etc.)
- Establish guidelines for Merchant Recognition (New, Anniversary, Awards, Special Events, etc.)

### **2. PROMOTE DOWNTOWN LODI**

- Shop Downtown Campaign (Finish Brochure, Map, Kiosks, Frequent Shoppers, Mystery Shopper)
- Get customer base from merchants during survey and advertise to this base.
- Study of best form of advertising (Web page-need to complete, also review newspaper, T.V., radio, etc.)
- Signs. Need to develop unique signing for every major entrance to Lodi

### **3. CREATE EVENTS**

- Maintain: Large Venues (Farmers Market, Parade of Lights)
- Grow: or discontinue others (Kiddie Parade, Safe Halloween)
- Create: New Venues (Jazz, October Fest, First Night Out, Arts Fair, Christmas Festival)





#### **4. COOPERATE WITH OTHERS ENTITIES**

- City
- Chamber
- Vine & Visitors
- All others that have Downtown's interest

The cooperation would be to attend other meetings, tie in with other events, have joint events, share training, share cost. Common newsletter for all entities?

#### **5. EFFECT MERCHANT MIX**

- Survey to community, what do they want?
- Why locate Downtown?
- Work with Realtors, City, Etc.
- Develop a list of all merchants and provide direction on desired mix of stores.

#### **6. IDENTIFY OUR DOWNTOWN**

- New Slogan
- Review Logo
- Wall Dog Murals
- Tie in All Signing, advertising from all entities to reflect the same logo, theme, slogan.



## DOWNTOWN LODI BUSINESS PARTNERSHIP FREQUENTLY ASKED QUESTIONS

### How are my assessments determined?

Assessment fees for businesses located within the Business Improvement Area (BIA) are calculated as follows:

### BENEFIT FEE SCHEDULE

BUSINESS TYPE	ZONE A	ZONE B
<b>Retailers/Restaurants*</b>	\$200 (1-3 Employees)	\$100
	\$300 (4-6 Employees)	\$150
	\$400 (7+ Employees)	\$200
<b>Service Businesses</b>	\$150	\$75
<b>Professional Businesses</b>	\$100	\$50
<b>Financial Institutions</b>	\$500	\$500

\*Note: Retail and restaurant businesses are assessed based on the number of employees - either full-time, or the equivalent made up of multiple employees.

### BUSINESS TYPE DEFINITIONS:

- **Retail and Restaurant** – Businesses that buy and resell goods. Examples would be clothing stores, shoe stores, office supplies, as well as businesses that sell prepared food and drinks.
- **Service Businesses** – Businesses that sell services. Examples are beauty and barber shops, repair shops, lodging, most automotive-oriented businesses, entertainment businesses such as theaters, etc.
- **Professional Businesses** – Includes architects, engineers, attorneys, dentists, doctors, accountants, optometrists, realtors, insurance offices, mortgage brokers and most other businesses which require advanced or specialized licenses, and/or advanced academic degrees.
- **Financial Institutions** – Includes banking and savings and loan institutions, as well as credit unions, etc.

10/20/2005

**When will I be billed?**

The DLBP levies annual assessments for businesses residing within the BIA on January 1<sup>st</sup> of each year. Your assessment fee will be included on your annual business license renewal from the City of Lodi. Payment should be mailed directly to the City of Lodi, who in turn, reimburses 100% of the assessment fee back to the DLBP.

**What if my business doesn't directly benefit from the BIA?**

But it does! You are a member of a community that derives its strength from cooperative action. You have selected the location of your business because of desirability, status and environment; and as the appearance and success of your business neighborhood improves, these three factors will improve as well.

**Do I have to pay?**

Yes. This is a legally mandated assessment the same as your business license or property tax. If you do not pay, the City of Lodi will seek relief in the form of collection action, credit report notification, or other legal remedies.

**Who can I contact about billing?**

Annual assessment billings are a collaborative effort on behalf of the DLBP and the City of Lodi's Finance Department. Should you have questions about your assessment fee, require fee adjustments, or are no longer within the BIA, please contact the DLBP directly at (209) 369-8052.

**AGREEMENT**

THIS AGREEMENT, entered into this 18<sup>th</sup> day of November, 1998, by and between the CITY OF LODI, a municipal corporation ("City"), and the DOWNTOWN LODI BUSINESS PARTNERSHIP ("DLBP").

**WITNESSETH:****1. PURPOSE.**

The purpose of this agreement is to allow events involving street closures under the authority of the Downtown Lodi Business Partnership (DLBP) in order to promote interest in the community and downtown core, along with increasing consumer awareness of the services offered and to provide a wholesome atmosphere.

**2. TERM.**

This Agreement shall be automatically renewed upon City approval of the Business Improvement Association (BIA) budget unless specifically exempted.

**3. TERMINATION OF AGREEMENT.**

Either party to this Agreement shall have the right to terminate this Agreement at any time by giving the other party written notice of such intent to terminate, with or without cause.

**4. RESPONSIBLE PERSONS.**

It shall be the responsibility of the DLBP to keep City informed of the name, address and phone number of the person representing the DLBP with whom the City shall deal, and to whom all notices should be directed.

**5. LOCATION.**

All events conducted under this Agreement shall be conducted within that portion of Downtown known as the Business Improvement Area as adopted City Resolution No. 97-179. All vendors shall do business outside the fire lanes as designated by the City.

**6. DAYS/HOURS**

Permissible days and hours for an event shall be detailed in the Encroachment Permit

**7. RESPONSIBLE PARTY.**

The DLBP shall be primarily responsible for the events and for all necessary planning, physical facilities, equipment, fire lanes, and removal, cleanup, and staffing. DLBP shall also be responsible for any necessary permits and Code requirements for the conduct of such event as may be required by County and State agencies and coordination with appropriate City departments, such as Police and Fire. All necessary certificates and approvals by any health or other governmental organization shall be in the possession of the person representing the DLBP in such event. At least 15 days prior to the event, the DLBP shall obtain an Encroachment Permit.

8. PARTICIPATION.

Participation in an event and use of the public right-of-way shall be limited to those members of the DLBP, in good standing with the organization, and those persons and vendors as may be approved by the DLBP.

9. CONDUCT OF EVENT.

DLBP shall be responsible for staging and location of all participants and vendors. No equipment, vehicle, or supporting structure shall be placed on any sidewalk or street except as specified on the Encroachment Permit. Vendors shall be limited to the sale of items specified on their application made to the DLBP. The DLBP shall insure that all vendors have obtained all necessary licenses. The DLBP shall be responsible for all necessary setup and cleanup, and the provision of adequate refuse containers as approved by the Public Works Director. At the conclusion of this event, streets shall be restored to a neat and orderly appearance. Electronic amplification, with the exception of entertainment sanctioned by the DLBP, shall be prohibited.

10. NOTIFICATION OF BUSINESSES AND HOMEOWNERS

The DLBP shall notify all businesses and homeowners who may be effected by an event. The notice shall contain the name and telephone number of a person who can answer questions about the timing, route, staging, associated activities, etc. for the event.

11. ENCROACHMENT PERMIT.

DLBP shall be required to obtain an Encroachment Permit for the conduct of an event described herein. The Permit shall provide all information the City deems necessary. The Permit shall be approved by the City Manager or his designee. Nothing in this Agreement shall dispense with such requirements or guarantee the issuance of a Permit. The City reserves the right to reject any Permit application.

12. DISPLAY OF BANNERS.

Banners to be displayed above and across streets shall be accomplished only with the mutual consent of the affected building property owners or their representative. Copies of those mutual agreements shall be submitted to the City. The DLBP shall take responsibility for maintenance of all anchoring and related apparatus, inspection, removal and placement of the banner. Banner installation shall not interfere with functioning or maintenance operations of City utilities and shall be removed at applicant's expense when requested by the City. The minimum height clearance shall be 17 feet from street surface to lowest point of a banner. The banners are to be displayed in a neat manner for a period not exceeding 60 days prior to and 5 days after the conclusion of the event. Banners to be displayed on street lights shall be as approved by the Public Works Department

13. EQUIPMENT.

City shall have no responsibility to provide any equipment, light, power, or other article necessary for the conduct of an event. DLBP shall provide necessary sanitary facilities in the form of portable toilets, in a number adequate to accommodate participants and spectators. Locations of sanitary facilities at sites other than public right-of-way shall require consent of property owner. Copies of those mutual agreements shall be submitted to the City upon request. Location of sanitary facilities within the public right-of-way or City-owned parking lots must be approved by the City.

14. VENDORS' LOCATIONS.

Vendors shall be located as approved by the DLBP and as specified in the Encroachment Permit.

15. INSURANCE.

DLBP shall furnish to the City of Lodi, prior to the commencement of an event, general liability insurance in a minimum amount of \$1,000,000, naming the City of Lodi as additional insured. Coverage afforded by such policy shall be deemed primary coverage, and not as excess coverage for any losses incurred by the City of Lodi. The DLBP may furnish an annual certificate of insurance covering all events.

16. RIGHT-OF-WAY OPEN TO PUBLIC.

During the conduct of an event, the streets and sidewalks within the closure limits shall remain open for access by pedestrians. A 24-foot emergency vehicle access lane in all streets and 15-foot clearance and accessibility to each fire hydrant shall be maintained at all times. At two-story structures and greater, emergency access shall be provided as required by the Fire Marshall.

17. VENDOR OR SIDEWALK SALES.

The City shall not approve vendor or sidewalk sales or other activities within the closure area for an event. The DLBP may allow such sales or events and shall permit sidewalk sales by businesses located within the closure area for goods and services normally provided by said business at no charge to the business. Sidewalk sale displays shall maintain pedestrian use of the public right-of-way in conformance with the Encroachment Permit.

18. NONCOMPLIANCE.

City may order the partial or total closure of an event for substantial noncompliance with any of the terms and provisions of this Agreement, or for any activity or circumstance amounting to a threat to health, safety or welfare.

19. HOLD HARMLESS.

DLBP and participants agree to hold harmless and indemnify the City for any losses or claims arising from or out of the conduct of an event by DLBP which is not directly attributable to the negligence of a City officer, agent or employee. Such hold harmless shall include the right to indemnity for any attorney's fees or costs incurred in the defense of any action arising therefrom.

20. AMENDMENTS.

Any changes from those as described in this Agreement are to be reviewed and approved in advance by the City Manager.

21. EXCLUSIONS

This agreement does not include, nor provide the DBLP with control of City sponsored events including, but not limited to, the following events:

- a) Chamber of Commerce Street Faire (two times per year) as provided in the agreement between the City of Lodi and the Chamber of Commerce
- b) Lodi and Tokay High School homecoming parades
- c) Lodi Grape Festival Parade

d) Grape Bowl Classic Band Review

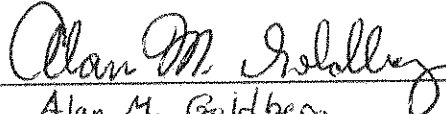
IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first hereinabove mentioned.

CITY OF LODI, a municipal  
corporation

  
H. DIXON FLYNN  
City Manager

DOWNTOWN LODI BUSINESS PARTNERSHIP

By

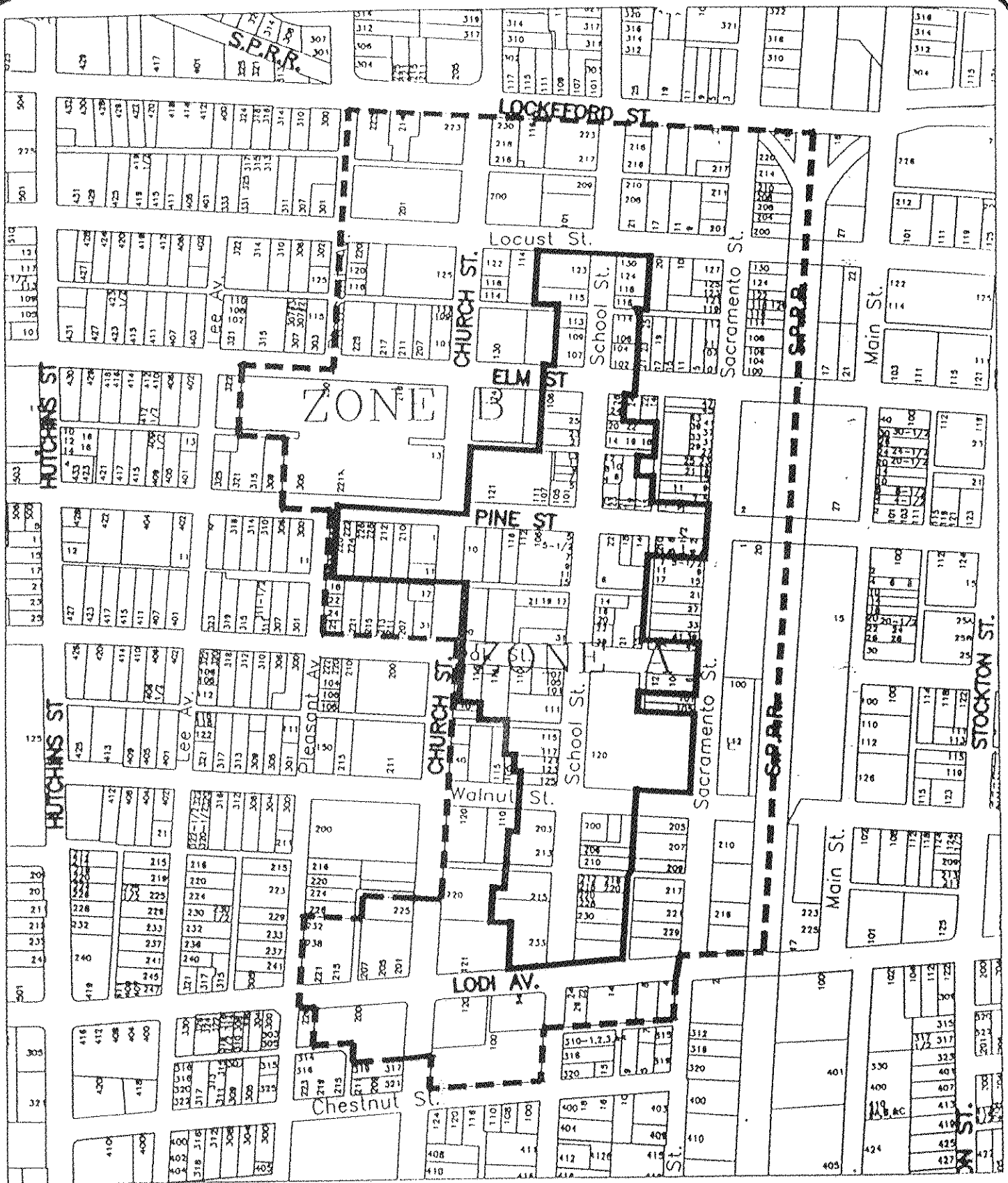
  
Alan M. Goldberg  
President

ATTEST:

  
ALICE M. REIMCHE  
City Clerk

APPROVED AS TO FORM:

  
RANDALL A. HAYS  
City Attorney





RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF INTENTION TO LEVY ANNUAL  
ASSESSMENT FOR DOWNTOWN LODI BUSINESS  
IMPROVEMENT AREA NO. 1, ESTABLISHING PUBLIC  
HEARING DATE, AND RECEIVING ANNUAL REPORT

=====

WHEREAS, Downtown Lodi Business Improvement Area No. 1 was established December 17, 1997, by Council adoption of Ordinance No. 1654; and

WHEREAS, the Annual Report as required by Streets and Highways Code §36533 has been submitted to the Council by the Board of Directors of said improvement area.

NOW, THEREFORE, the City Council of the City of Lodi does hereby resolve, determine, and find as follows:

1. Received the Annual Report as submitted, said Report being on file with the City Clerk.
2. Establishes January 4, 2006, in the City Council Chambers, at Carnegie Forum, 305 West Pine Street, Lodi, California, at 7:00 p.m., or soon thereafter as possible, as the date, place, and time to hold the public hearing required by Streets and Highway Code §36534.
3. It is the intention of the City Council to levy and collect assessments within the parking and business improvement area for calendar year 2006 (the Area's fiscal year).
4. The boundaries of the entire area to be included in the Area and the boundaries of each separate benefit zone within the area are set forth in the Map, Exhibit A, incorporated herein by reference. A true and correct copy of the map is on file with the City Clerk of the City of Lodi.
5. The types of improvements and activities proposed to be funded by the levy of assessments on business in the Area are in Exhibit B hereto and incorporated by reference.
6. At the time of the public hearing, written and oral protests may be made. The form and manner of protests shall comply with Streets and Highways Code §§36524 and 36525.

Dated: December 21, 2005

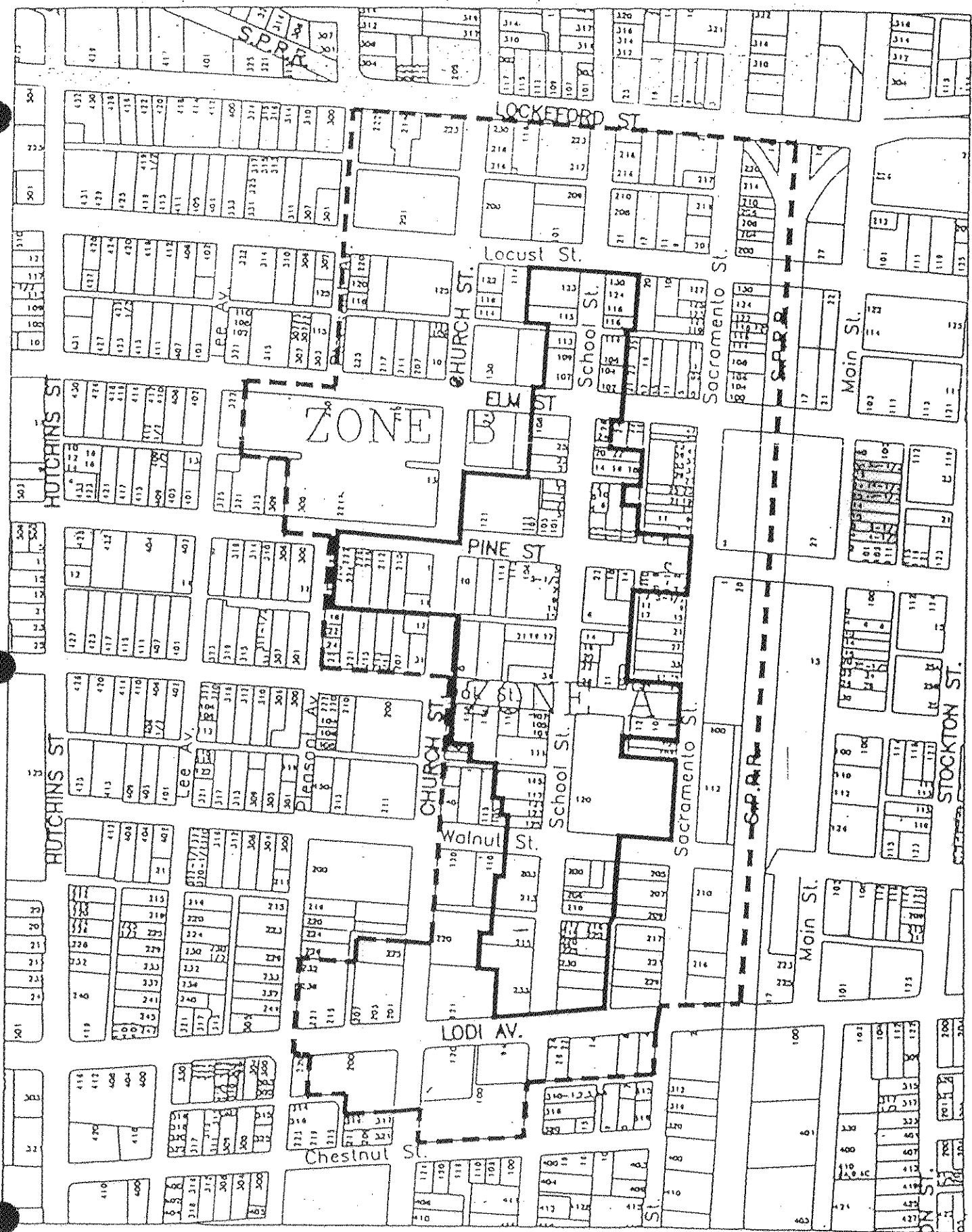
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I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS –  
NOES: COUNCIL MEMBERS –  
ABSENT: COUNCIL MEMBERS –  
ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



## **Events**

### **Overview:**

- Develop Events that are not exclusive to marketing the Downtown, but the city of Lodi
- Develop Events that hold a recognized theme
- Modify the Farmers Market Event to include participants to fall into the category of "Homemade" and "Homegrown".
- Develop Partnerships with various groups/clubs to incorporate their heritage into our events that contain a theme.
- Implement the Downtown Lodi Business Partnership Event Policy

# 2006 DOWNTOWN LODI CALENDAR OF EVENTS

## DLBP EVENTS

VALENTINE'S DAY RETAIL PROMOTION  
ST. PATRICK'S DAY CELEBRATION  
SACRAMENTO STREET CAR SHOW  
SPRING SIDEWALK EGGS-TRAVAGANZA  
PHOTOS WITH THE EASTER BUNNY  
WALL DOGS CENTINNIAL CELEBRATION  
CINCO DE MAYO CELEBRATION  
HISTORIC WALKING TOUR  
MOTHER'S DAY PROMOTION  
FARMERS MARKET & FESTIVAL  
WINE & SAUSAGE FESTIVAL  
FATHER'S DAY PROMOTION  
BREWS & BLUES FESTIVAL  
BACK-TO-SCHOOL SIDEWALK SALE  
69th ANNUAL KIDDIE PARADE  
OKTOBERFEST  
SAFE-HALLOWEEN  
WINTERFEST  
PHOTOS WITH SANTA &  
VICTORIAN-ERA CARRIAGE RIDES  
MERCHANT WINDOW DISPLAY CONTEST  
11th ANNUAL PARADE OF LIGHTS  
NEW YEAR'S EVE CELEBRATION

Saturday, Feb. 11  
Friday, March 17  
Saturday, April 1  
Saturday, April 15  
Saturday, April 15  
Sunday, April 16  
April 28 - May 31  
Friday, May 5  
Weekends beginning  
In May  
Saturday, May 13  
Thursdays  
June 1 - Sept. 28  
Sunday, June 11  
Saturday, June 17  
Sunday, July 23  
Saturday, Aug. 5  
Saturday, Sept. 16  
Sunday, Oct. 15  
Saturday, Oct. 28  
Saturday, Nov. 25  
Saturdays  
Nov. 25 - Dec. 16  
Nov. 25 - Dec. 31  
Thursday, Dec. 7  
Sunday, Dec. 31

## NON-DLBP EVENTS

SCHOOL STREET STROLL  
LODI STREET FAIRE

Fridays (tentative)  
April 14 & Oct. 13  
Sundays (tentative)  
May 7 & Oct. 1

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## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Introduce Ordinance Adding Chapter 15.65 to the Lodi Municipal Code Establishing the San Joaquin County Regional Transportation Impact Fee (RTIF) Program and Set Public Hearing for January 4, 2006, to Consider Adoption of the Fee

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council introduce an ordinance adding Chapter 15.65 to the Lodi Municipal Code Establishing the San Joaquin County Regional Transportation Fee (RTIF) Program and set a public hearing for January 4, 2006, to consider actual adoption of the fee.

**BACKGROUND INFORMATION:** The San Joaquin Council of Governments (COG), with the participation of our City Council representative and staff, has studied and adopted a new fee program to help pay for regional transportation improvements. Such a program was encouraged as part of Measure K – the ½-cent transportation sales tax in this County. (A local transportation fee is required as part of Measure K.)

The COG has asked San Joaquin County and each City to adopt this program (see letter, Exhibit A). A presentation on this subject was made to the City Council at its meeting of November 16, 2005, by City and COG staff. The action being requested at this meeting introduces the ordinance that would become part of the Municipal Code. The actual fee would be adopted by resolution following adoption of the ordinance. In addition, the Council will be asked to authorize execution of an operating agreement between the City and the COG regarding administration of the fee program.

The RTIF Program consists of:

- Technical Report dated October 27, 2005 (the “nexus study”) – Exhibit B – This report provides the technical documentation and analysis supporting the fee program and the maximum fee.
- Operating Agreement – Exhibit C – This agreement details the procedures for setting, collecting and administering the fees and will be considered following the public hearing in January.
- City Ordinance – This ordinance is based on the model ordinance provided by COG and provides the legal basis for implementing the fee program.
- Model Resolution – Exhibit D – This model resolution actually sets the fees and will be considered following the public hearing in January.

Some of the highlights of the Program are:

- A. The proposed fees are:
- \$2,500 per single-family dwelling
  - \$1,500 per multi-family dwelling unit

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

- \$1.00 per retail building square foot
- \$1.25 per office building square foot
- \$0.75 per industrial building square foot
- B. The fee is automatically adjusted each July 1 by the change in the Engineering News Record Construction Cost Index.
- C. The fees are to be solely used for projects listed in the technical report.
- D. 10% of the funds collected by Cities are provided to San Joaquin County for RTIF projects located within the unincorporated area.
- E. 10% of the funds collected by each agency are provided to the COG for State Highway projects on the RTIF list.
- F. 5% of the funds collected by each agency are provided to the COG for transit improvements on the RTIF list.
- G. 75% of the funds collected by each City (85% County) may be retained by the agency for RTIF projects at their discretion or provided to COG for an RTIF project. A city could agree to transfer a higher amount to the agencies described in D, E, and F for specific projects.
- H. Up to 2% of the first million dollars retained by each agency may be used for administrative costs (plus up to 1% of amounts over one million).
- I. RTIF funds are to be kept in a separate fund and inter-fund borrowing is specifically prohibited, except within the RTIF program.
- J. Semi-annual and annual reporting to COG is required.
- K. Except for the annual index adjustment, there is a 5-year “freeze” on the fees and the program, with 5-year updates following.
- L. Provisions for fee credits or reimbursements to developers for RTIF projects built by development projects are included, similar to the City's fee program.
- M. The City will need to evaluate its own transportation fee program, due to adoption of the RTIF to eliminate any double-counting of projects/funding.

In keeping with the intent of Measure K and recognizing the growing need for transportation funding, City staff is supportive of the RTIF.

**FISCAL IMPACT:** Additional transportation funding actually available to Lodi will depend on development activity. The City's current fee for transportation projects is \$12,969 per low-density residential acre or approximately \$2,600 per single-family unit. Clearly, the RTIF would be a significant increase in available funding.

**FUNDING AVAILABLE:** Not applicable.

---

Richard C. Prima, Jr.  
Public Works Director

RCP/pmf  
Attachments  
cc: Wally Sandelin, City Engineer  
SJCOG – Andy Chesley  
Pennino & Associates



## SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202

209.468.3913 • 209.468.1084 (fax)

www.sjco.org

November 1, 2005

Gary L. Haskin  
CHAIR

John Harris  
VICE CHAIR

Andrew Chesley  
INTERIM EXECUTIVE  
DIRECTOR

## Member Agencies

CITIES OF  
ESCALON,  
LATHROP,  
LODI,  
MANTEGA,  
RIPON,  
STOCKTON,  
TRACY,  
AND  
THE COUNTY OF  
SAN JOAQUIN

Mr. Blair King, City Manager  
City of Lodi  
221 W. Pine Street  
Lodi, CA 95240

Dear Mr. King:

On October 27, 2005, the Board of Directors of the San Joaquin Council of Governments (SJCOG) unanimously adopted the Regional Transportation Impact Fee (RTIF) program. Enclosed for the City of Lodi's review are the RTIF Technical Report, Ordinance, and Operating Agreement. In addition, a Draft Resolution designed to be used by each participating agency to establish the San Joaquin County RTIF Program Fees is enclosed for your review.

The consulting firm of Pennino & Associates has been secured by SJCOG to coordinate the presentation of the RTIF program with all jurisdictions. It is SJCOG's goal to present the RTIF program to all jurisdictions during the months of November and December. Within the next week, you will be contacted to arrange for the RTIF program to be scheduled for action by the Lodi City Council.

It is at the discretion of each jurisdiction to adopt the RTIF program by ordinance or by resolution. Whatever approach the City of Lodi plans to pursue, SJCOG staff will be available to assist in any way possible.

Please direct any questions regarding the RTIF program documents to Michael Swearingen, SJCOG Senior Regional Planner at (209) 468-3913.

Thank you for your immediate attention to the delivery the RTIF Program to the City Council for their review and consideration.

Sincerely,

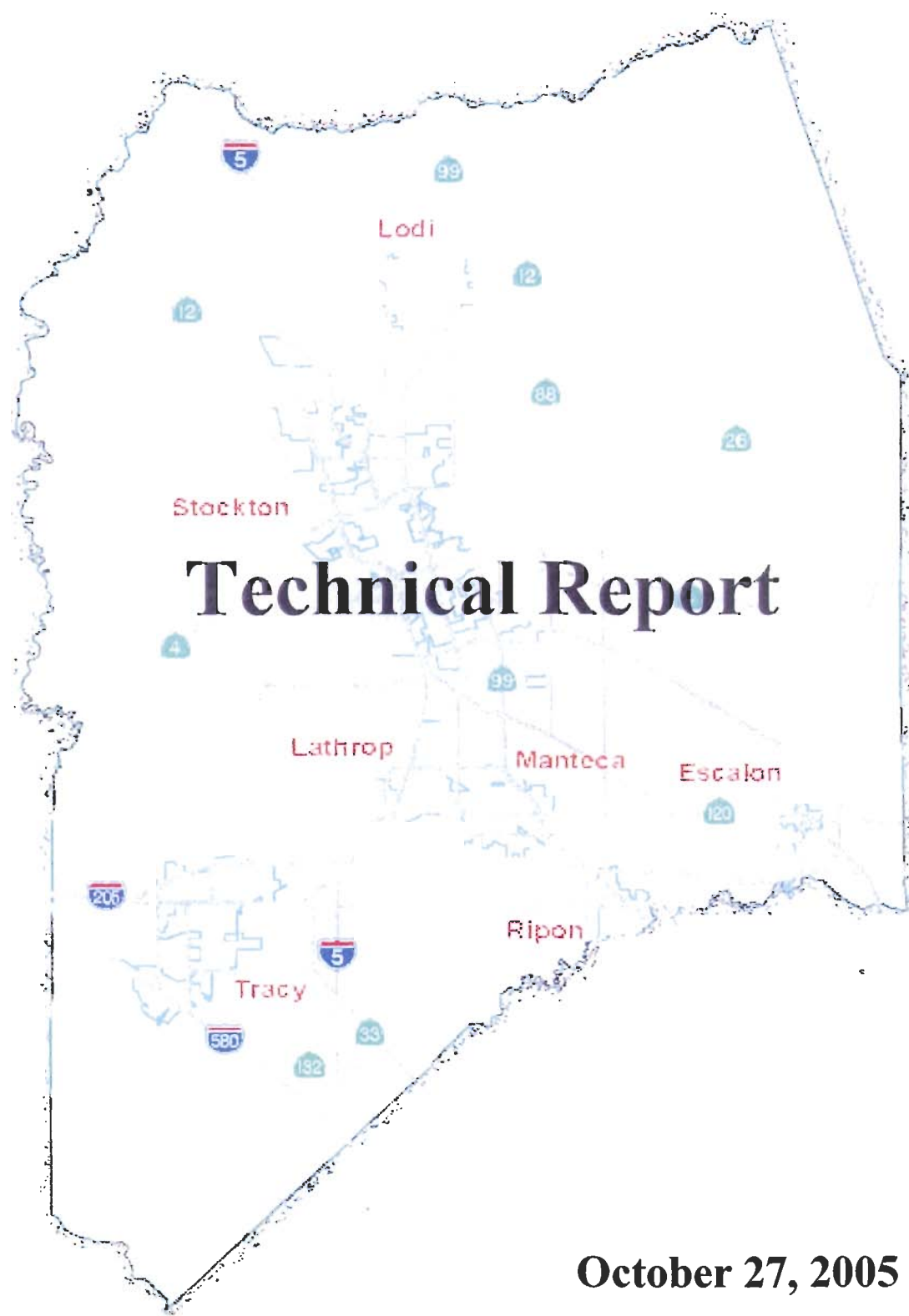
ANDREW T. CHESLEY  
Interim Executive Director

cc Council Member, Larry D. Hansen

NOV 01 2005  
CITY MANAGER'S OFFICE



# REGIONAL TRANSPORTATION IMPACT FEE



October 27, 2005





Economic &  
Planning Systems  
Real Estate Economics  
Regional Economics  
Public Finance  
Land Use Policy

## FINAL REPORT

# SAN JOAQUIN REGIONAL TRANSPORTATION IMPACT FEE

Prepared for:

San Joaquin Council of Governments

Prepared by:

Economic & Planning Systems, Inc.  
and  
Fehr & Peers Associates Inc.

October 2005

EPS #15040

BERKELEY  
2501 Ninth St., Suite 200  
Berkeley, CA 94710-2515  
[www.epsys.com](http://www.epsys.com)

Phone: 510-841-9190  
Fax: 510-841-9208



SACRAMENTO  
Phone: 916-649-8010  
Fax: 916-649-2070

DENVER  
Phone: 303-623-3557  
Fax: 303-623-9049

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## I. INTRODUCTION AND RESULTS

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This Technical Report is designed to provide participating jurisdictions in San Joaquin Region with the necessary technical documentation and nexus analysis supporting the adoption of a Regional Transportation Impact Fee (RTIF) Ordinance. It has been prepared by Economic & Planning Systems, Inc. (EPS) and Fehr & Peers Associates Inc., with input and guidance from the San Joaquin Council of Governments (SJCOG). The RTIF program described in this Report is based on current growth projections and infrastructure requirements and is consistent with the most recent relevant case law and the principles of AB1600 or Government Code Section 66000 et seq ("Fees for Development Projects"; except where specific citations are provided, this statute will be referred to in this Report as AB 1600).

Following this introductory chapter, **Chapter II** discusses the land use growth projections used in this analysis and **Chapter III** describes the RTIF capital costs. **Chapter IV** describes the modeling techniques used to establish nexus for the RTIF program and the resulting RTIF program fee calculation by land use category.

### PURPOSE OF PROPOSED FEES AND TECHNICAL REPORT

The RTIF program described in this Report will provide funding for regional transportation improvements required to serve new development and to ensure that existing service levels can be maintained. To the extent that required improvements serve both new and existing development, or travel through the San Joaquin Region, only the portion that is attributable to new development inside the region is included in the RTIF program. It is expected that the RTIF program funding will be augmented by other revenue sources to meet overall funding requirements, particularly Measure K funding and State and Federal Grants.

This Report also provides a schedule of fees to be established by the RTIF Ordinance and/or Resolution. This Report and the technical information it contains should be maintained and reviewed periodically by the SJCOG and participating jurisdictions as necessary to ensure its accuracy and to enable the adequate programming of funding sources. To the extent that improvement requirements, costs, or development potential changes over time, the RTIF program will need to be updated.

The proposed RTIF program fee, if approved, will need to be enabled through adoption by participating jurisdictions of a new Ordinance or Resolution. The enabling Ordinance would allow the jurisdiction to adopt, by Resolution, a fee schedule consistent with supporting technical analysis and findings. The Resolution approach to setting the fee allows periodic adjustments of the fee amount that may be necessary over time, without amending the enabling Ordinance.

## SUMMARY OF MAXIMUM AND PROPOSED FEES

A summary of the maximum fees calculated in this RTIF Technical Report by land use category are provided in **Table 1** and summarized below. Because of insufficient data on office growth projection, office category is included as part of the commercial/industrial category.

- \$2,512 per single-family unit
- \$1,542 per multifamily unit
- \$4.65 per retail square foot
- \$2.13 per commercial/industrial square foot

The fees shown above represent the maximum fee that can be charged based on the nexus findings described in this Report. These fees are calculated to generate sufficient revenue to cover the RTIF capital facility costs associated with new development in the County. Participating jurisdictions may as a matter of policy decide to charge a fee below the maximum fee for any or all of the land uses. However, the revenue shortfall to the RTIF program that would result from reducing the fees must be made up by other non-RTIF revenue sources. Specifically, the fee levels for certain land uses cannot be raised to cover revenue shortfalls that result from lowering the fees on other land uses.

SJCOG in conjunction with participating agencies have proposed to charge a fee below the maximum amount legally allowed based on the nexus calculations presented above. A comparison between the maximum RTIF fee and the proposed RTIF fee is presented in **Table 1** of this report.

The fee reduction is based on key stakeholders (i.e., developers, elected officials, city/county officials) goal to mitigate the impact new growth has on the regional transportation system as well as continue to foster economic development, job creation, and sales tax generation. The proposed fees represent a consensus reached by the region's leaders based on the analysis of economic drivers pertinent to the San Joaquin region.

## IMPLEMENTATION AND LEGAL CONSIDERATIONS

### ANNUAL REVIEW

AB 1600 (at Gov. C. §§ 66001(c), 66006(b)(1)) stipulates that each local agency that requires payment of a fee make specific information available to the public annually within 180 days of the last day of the fiscal year. This information includes the following:

**Table 1**  
**Regional Transportation Impact Fee Amount**  
**San Joaquin RTIF Nexus Study; EPS #15040**

<b>Category</b>	<b>Maximum RTIF Fee</b>	<b>Proposed RTIF Fee</b>
<b>Total Fee Revenue</b>	\$410,230,388	\$374,620,076
<b>Fee Per Single-Family Unit</b>	\$2,512	\$2,500
<b>Fee Per Multi-Family Unit</b>	\$1,542	\$1,500
<b>Fee Per Retail Sqft.</b>	\$4.65	\$1.00
<b>Fee Per Commercial/Industrial Sqft. (1)</b>		
Office	\$2.13	\$1.25
Industrial	\$2.13	\$0.75

(1) The maximum RTIF fee calculation combines office and industrial land use categories due to insufficient data to separate the two categories.

- A description of the type of fee in the account.
- The amount of the fee.
- The beginning and ending balance of the fund.
- The amount of fees collected and interest earned.
- Identification of the improvements constructed.
- The total cost of the improvements constructed.
- The fees expended to construct the improvement.
- The percent of total costs funded by the fee.

If sufficient fees have been collected to fund the construction of an improvement, the agency must specify the approximate date for construction of that improvement. Because of the dynamic nature of growth and infrastructure requirements, participating jurisdictions and the SJCOG should monitor development activity, the need for infrastructure improvements, and the adequacy of the fee revenues and other available funding. Formal annual review of the CFF program should occur, at which time adjustments should be made. Costs associated with this monitoring and updating effort can be included in the RTIF program.

## **SURPLUS FUNDS**

AB 1600 also requires that if any portion of a fee remains unexpended or uncommitted in an account for five years or more after deposit of the fee, the City Council shall make findings once each year: (1) to identify the purpose to which the fee is to be put, (2) to demonstrate a reasonable relationship between the fee and the purpose for which it was charged, (3) to identify all sources and amounts of funding anticipated to complete financing of incomplete improvements, and (4) to designate the approximate dates on which the funding identified in (3) is expected to be deposited into the appropriate fund (§66001(d)).

If adequate funding has been collected for a certain improvement, an approximate date must be specified as to when construction on the improvement will begin. If the findings show no need for the unspent funds, or if the conditions discussed above are not met, and the administrative costs of the refund do not exceed the refund itself, the local agency that has collected the funds must refund them (Gov. C §66001(e)(f)).

## **SECURING SUPPLEMENTAL FUNDING**

The RTIF program identifies \$561 million in capital projects that can be funded in full or in part by impact fee revenue. However, the RTIF revenue generated is itself not sufficient or appropriate for funding the full amount of the RTIF capital projects identified in this Technical Report. For example, out of the \$561 million in RTIF capital projects, approximately \$128 million can be attributable to trips that originate or end outside the San Joaquin Region. The new facility costs attributable to these "external trips" cannot be covered by impact fee revenue. In addition, the SJCOG Board may

approve fee levels that are lower than the maximum amount allowed based on the nexus analysis, further reducing the revenue available to the RTIF program. Thus, to fully implement the RTIF program, the SJCOG will have to obtain funding and pay for improvements not covered by impact fee revenue. Examples of such sources include Measure K funds; CALTRANS funding; and other local, State and federal sources. Ultimately, funding for the entire cost of the RTIF program must be identified and allocated during the life of the RTIF program.



## II. RTIF GROWTH PROJECTIONS

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The RTIF program fee is a one-time fee levied on new development at a rate proportional to its demand for transportation capital improvements. Thus, a forecast of new development in the San Joaquin Region is required to calculate the fee. This Chapter documents the land use growth assumptions used to calculate the RTIF program fee. Specifically, it describes the amount of residential, retail, and commercial/industrial land use development expected to occur in San Joaquin Region through the year 2030. These estimates are used for the following primary purposes in the fee calculation:

- Estimates of existing and future development are used to evaluate future traffic levels and determine the need for transportation improvements in the San Joaquin Region.
- Estimates of future development are used to allocate the costs of required transportation improvements and ultimately to calculate a fee per unit of new growth.

The following sections describe the development projections and the key assumptions underlying them.

### TIME HORIZON

The time horizon for an impact fee program is important because it determines the type and amount of transportation improvements that will be included in the fee program as well as the level of growth these improvements will serve. A longer time horizon will result in more transportation improvements being included in the RTIF program fee because of the added traffic demands from the increased population and jobs that will occur by that future date. A shorter time horizon typically reduces the number of improvements in the RTIF program fee because it includes only those improvements needed to accommodate a lower level of population and employment growth.

There are two ways that the time interval can be set in an impact fee analysis. One approach is to consider all improvements needed through the “build out” of a community’s General Plan. Another approach is to establish a future date, typically before “build out” occurs, which is consistent with forecast data or improvement cycles. Both techniques are used in impact fee technical reports.

This Technical Report is based on a time horizon that ends in the year 2030. This corresponds to the timeframe used in the Regional Transportation Plan (RTP) which specifies the priority transportation projects in the San Joaquin Region, as approved by SJCOG. The timeframe also corresponds to the household and employment projections available for use in this Report, as further described below.

## **GROWTH PROJECTIONS**

The regional household and employment projections, provided by SJCOG, form the basis for developing growth forecasts by land use category. Specifically, household growth projections are used to estimate future residential development, whereas employment growth projections are used to estimate future retail and commercial/industrial development. The household and employment projections used in this Report are based on standard methodology developed in the 2030 Regional Transportation Plan, which is adopted throughout the San Joaquin Region. **Table 2** summarizes the projection data.

For employment projections, approximately 350 square feet per retail employee and 700 square feet for all other employment categories are assumed to estimate the commercial/industrial development. In addition, an average vacancy rate of 7 percent for retail and commercial/industrial space is also assumed. The allocation of employment into retail and commercial/industrial land use categories is based on the historical employment proportions reported in data approved by the SJCOG.

## **DWELLING UNIT EQUIVALENTS**

This analysis relies on Dwelling Unit Equivalent (DUE) factors to compare and evaluate future development across land use categories. Specifically, DUE factors compare residential, retail, and commercial/industrial land uses to one another based on their vehicle trip generation rates in order to develop a common metric for analysis. The factors used to convert residential, commercial/industrial, and retail growth into DUEs are shown in **Table 3**, and are based on standard assumptions regarding trip generation and trip diversion.<sup>1</sup> The DUE factors are then used to calculate total DUE growth by land use, as shown in **Table 4**.

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<sup>1</sup> Assumptions based on data from the Institute of Transportation Engineers (ITE) Trip Generation Model (6<sup>th</sup> Edition) and the San Diego Council of Governments (SANDAG) Brief Guide to Vehicular Traffic Generation Rates, July 1998.

**Table 2**  
**Projected Development by Land Use**  
**San Joaquin RTIF Study; EPS #11212**

Category	Year		Total Growth	Avg. Annual Growth
	2005	2030		
<b>Single Family Residential (Units)</b>	165,334	287,943	122,609	2%
<b>Multy-Family Residential (Units)</b>	80,122	111,990	31,868	1.3%
<b>Retail</b>				
Employment	47,347	59,311	11,964	0.9%
Square Feet (1)	15,411,449	19,305,731	3,894,282	0.9%
<b>Commercial/Industrial</b>				
Employment	247,161	272,355	25,194	0.4%
Square Feet (2)	160,901,811	177,303,105	16,401,294	0.4%

(1) Assumes 350 SF per Retail employee, and a 7.0% vacancy rate.

(2) Assumes 700 SF per Commercial / Industrial employee, and a 7.0% vacancy rate.

**Table 3**  
**Dwelling Unit Equivalent Calculation Factors**  
**San Joaquin RTIF Nexus Study; EPS #15040**

Category	Unit	Pk Hour Trip Rate (1)	% New Trips (2)	DUE
Single Family Residential	DU	1.01	100%	1.00
Multi Family Residential	DU	0.62	100%	0.61
Retail	KSF	3.74	50%	1.85
Commercial				
Office	KSF	1.49	65%	0.96
Industrial	KSF	0.88	85%	<u>0.74</u>
Office/Industrial Avg.				0.85

(1) Peak hour trip rate based on ITE Trip Generation Manual, 6th Edition.

(2) Percent new trips based on SANDAG Brief Guide of Vehicular Traffic Generation Rates

**Table 4**  
**Total Dwelling Unit Equivalent Growth**  
**San Joaquin RTIF Nexus Study; EPS #15040**

<b>Unit Type</b>	<b>DUE Growth (2005 - 2030)</b>
<b>Single Family Residential</b>	122,609
<b>Multi-Family Residential</b>	19,563
<b>Retail Square Feet</b>	7,210
<b>Commercial/Industrial Square Feet</b>	<u>13,937</u>
<b>Grand Total</b>	163,319

### III. RTIF CAPITAL PROJECTS AND COSTS

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This chapter documents the transportation improvements included in the RTIF capital project list and their corresponding costs. The RTIF Master Project List was selected based on the inclusion criteria described herein and refined based on funding need. The eligible RTIF capital project list includes all the projects that are assumed to be funded, in full or in part, by RTIF revenue.

#### RTIF PROJECT INCLUSION CRITERIA

The road and transit projects proposed for funding by the RTIF are included in an initial RTIF Master Project List. The RTIF project list is composed of improvements that fall on the "RTIF Network", a unified system of roadways, transit linkages, and other transportation facilities that confer benefits upon development throughout the County. This network is illustrated in **Figure 1**. The RTIF Network was developed and defined as part of the RTIF planning and policy formulation process.<sup>2</sup>

While an initial RTIF Master Project List has been established as part of this Technical Report, it is recognized that the list of transportation projects may need to be amended over time as circumstances change. As a result, during the RTIF planning process a number of screening criteria were considered and evaluated as a method for selecting the type of projects that would possibly be funded by RTIF revenue. These screening criteria are designed to distinguish projects where the nexus with new development throughout the San Joaquin Region is strong. It is the adherence to the screening criteria that assures that the required "nexus" findings and other requirements of Government Code Section 66000 et seq. are respected.

In order to be included in the RTIF Master Project List, Highway Widening, Interchange and Local Roadway Improvement projects must meet all of the following criteria:

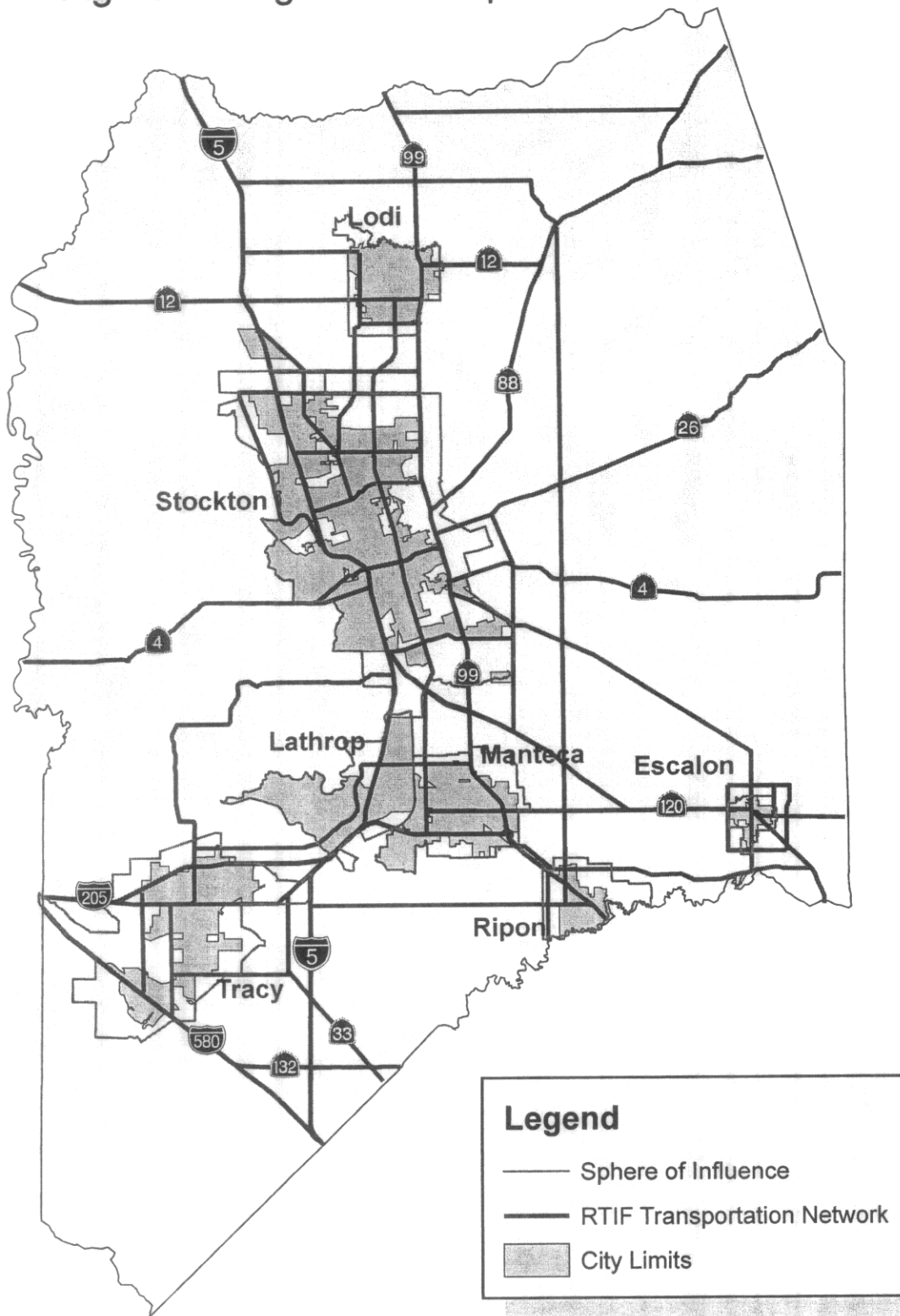
- A. All projects must be part of the RTIF Network;
- B. All projects must be scheduled for delivery within the time horizon of the nexus analysis; and<sup>3</sup>
- C. All projects, except interchange improvements, must involve a capacity improvement of one or more through travel or passing lanes, or auxiliary lanes (i.e., turn lanes).

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<sup>2</sup> The RTIF Network is based on the Congestion Management Program (CMP) network of major facilities of regional significance and supplemented with additional major arterials that serve inter-community travel in San Joaquin County.

<sup>3</sup> All RTIF highway widening, interchange, regional roadway, and public transit projects must be identified in the SJCOG Board adopted RTIF project list and Regional Transportation Plan (RTP) prior to delivery. The current time horizon for the RTP is 2005 – 2030.

Figure 1: Regional Transportation Network



In order to be included in the RTIF Master Project List, all Public Transit projects must satisfy the following criteria: <sup>4</sup>

- A. All projects must be scheduled for delivery within the time horizon of the nexus analysis; and
- B. All projects must involve an improvement to an existing or new service/facility which connects at least two or more cities or regions.

The RTIF nexus fee is based on a combination of highway widening, interchange, and regional roadway projects. The RTIF Master Project List is further refined to ensure that appropriate projects receive necessary funding to complete delivery. These projects were selected from the RTIF Master Project List based on the following:

- A. Currently identified in Tier I of the RTP;
- B. Regional roadway and interchange projects that are in Tier I of the RTP and/or are Measure K Renewal projects; and,
- C. All remaining regional roadway projects which fall on the current SJCOG-Board adopted Regional Transportation Network.

A description of the master and eligible RTIF projects and costs are provided in **Table 5**.

## **CHANGES TO RTIF MASTER PROJECT LIST**

As needs and priorities change over time, on a semi-annual basis, a jurisdiction can exchange any one of their RTIF projects from the RTIF Master Project List with one or more of their projects in Tier I of the RTP. This level of flexibility is intended to help jurisdictions adapt to changes in funding availability and transportation priorities.

However, the following conditions need to be met to secure an exchange:

- RTP meets air quality conformity requirements;
- The projects are categorized in Tier I of the RTP. Tier I RTP projects are priority projects for which funding sources have been identified; and,
- RTIF nexus requirements are maintained.

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<sup>4</sup> Examples of regional transit projects include: (a) capital purchase of rolling stock; (b) bus shelters and associated amenities; and, (c) multi-modal stations and associated amenities.



## ALLOCATION OF ELIGIBLE RTIF COSTS

RTIF funds represent one source of funding. These funds, combined with other local, state and federal funds ensure the complete delivery of the RTIF transportation project. Based on the multiple funding mechanisms, the following rationale was used to allocate net RTIF costs to fiscally constrain the projects and establish the nexus:

- A. **RTIF Projects currently in Tier I of the RTP** - RTIF gross project costs were compared to the costs programmed in the RTP. The cost differentials between the RTIF/Tier I RTP projects were offset with net eligible RTIF costs.
- B. **Regional roadway/interchange projects in Tier I of the RTP and/or MK Renewal** - These projects have multiple funding mechanisms and will require RTIF funds to ensure delivery. As part of the nexus, 23 percent of the gross project costs were used not to exceed the eligible RTIF net project costs.
- C. **Remaining regional roadway projects** - Nexus fee includes full RTIF costs attributable to new development for all remaining Regional Roadway Projects which fall on the adopted Regional Transportation Network.

The impact of this cost allocation is summarized in **Table 5**. As shown, there are 120 separate RTIF projects with an estimated total capital cost of about \$5.4 billion. Of the total, 48 RTIF projects with a total cost of \$561 million were selected for purposes of calculating the fee amount. This amount reflects to proportion of the projects for which funding sources have not yet been identified. The cost estimates are based on the best information available at the time of this Report. To the extent that this project list and/or the corresponding cost estimates are updated, the maximum fee amount will change accordingly.

Table 5

## RTIF Capital Projects

## San Joaquin RTIF Nexus Study; EPS #15040

ID#	Project	Project Description	RTIF Master Project Costs (2)	Nexus Project Costs (3)
<b>Mainline Highway Projections</b>				
1	SR-99	Widen 4 to 6 lanes using inside median, Arch Road to Crosstown/99 interchange	\$158,000,000	-
2	SR-99	Widen 6 to 8 lanes (Outside), City of Manteca (Yosemite Ave) to City of Ripon (West Ripon Road)	\$203,000,000	-
3	I-5	Widen 6 to 8 lanes (Inside) from Monte Diablo Avenue under crossing to Otto Drive. Add aux. Possible HOV lane.	\$250,000,000	-
4	I-5	Widen 6 to 8 lanes (Inside), French Camp Road to Charter Way	\$228,000,000	-
5	I-5	Widen 6 to 8 lanes (Inside), SR 120 to French Camp Road	\$71,000,000	-
6	I-205	Widen 6 to 8 lanes (Inside/Outside) from I-580 to I-5	\$268,000,000	-
7	SR-4 Extension	New alignment from Fresno Ave. to Daggett Road	\$150,000,000	\$19,843,070
8	SR-99 Widening	Widen 6 to 8 lanes (Outside), Cherokee Road to Armstrong Road	\$100,000,000	-
9	SR-99	Widen 6 to 8 lanes (Outside), Crosstown to Cherokee Road	\$194,000,000	-
10	SR-99	Widen 6 to 8 lanes (Outside), Arch to Crosstown	\$86,000,000	-
11	SR-99 Widening	Widen 4 to 8 lanes (Outside), French Camp Road to Arch Road	\$100,000,000	-
12	I-5	Widen 6 to 8 lanes (Inside), Otto Drive to New Road A (One mile N. of Eight Mile Road)	\$25,000,000	-
13	SR-99 Widening	Widen 8 to 10 lanes (Outside), Mariposa Road to Cherokee Road	\$150,000,000	-
14	SR-4 Crosstown Widening	Widen 6 to 8 lanes, I-5 to SR-99	\$75,000,000	-
15	SR-26 Widening	Widen 6 to 8 lanes, SR-99 to Austin Road Extension	\$30,000,000	-
16	SR-4 Widening	Reconstruct Freeway to Freeway Interchange	\$30,000,000	-
17	SR 99 @ Crosstown Freeway	Reconstruct Freeway to Freeway Interchange	\$30,000,000	-
18	I-5/SR 4 @ Crosstown Freeway	Reconstruct Freeway to Freeway Interchange	\$59,000,000	-
19	I-5/SR-120	New branch connections (2 Lane Structures). SR-120 West to I-5 North, and I-5 South to SR-120 East	\$35,500,000	\$6,640,000
20	SR-120	Widen 4 to 6 lanes (Outside) from I-5 to SR-99	\$54,000,000	-
21	SR-12	Widen 2 to 4 lanes (Outside), add turn lanes, from SR-99 to SR-88	\$50,500,000	\$31,480,000
22	SR-99	New capacity ~ widen 4 to 6 lanes (Inside), from Jct. 12 East to County line.	\$86,000,000	-
23	SR-99	New capacity ~ widen 4 to 6 lanes (Inside), from north of Harney to SR-12 East	\$11,250,000	-
24	I-5	Widen 4 to 6 lanes (Inside), SR-12 to County Line	\$91,000,000	-
25	I-5 Widening	Widen 8 to 10 lanes, Roth Road to Otto Drive	\$400,000,000	-
26	SR-12 @ I-5	Loop Ramps	\$11,250,000	-
27	SR-99 @ SR-88	Reconstruct interchange	\$19,500,000	-
28	SR-99 @ SR-26	Reconstruct interchange	\$19,500,000	-
29	SR-26	New capacity ~ widen 2 to 4 lanes (Outside), Cardinal (diverting canal) to Jack Tone Road	\$48,000,000	-
30	SR-120 West of Escalon	Widen from Jackstone 5 lane conventional to Sexton, new south alignment to McHenry	\$75,000,000	-
31	SR-120 East of Escalon	New south alignment from McHenry to existing 120 @ Harrold, widen to 5 lane conventional to county line	\$25,000,000	-
32	SR-88	Passing lanes, SR-12 to Amador County Line	\$24,000,000	-
<b>Total Mainline Highway Projections</b>			<b>\$3,157,500,000</b>	<b>\$57,963,070</b>
<b>Interchange Modifications, Reconstructions, and Improvements</b>				
33	I-5 @ Lathrop Road	4 lanes under I-5, modify interchange 0.3 miles north and south of Lathrop Road undercrossing	\$17,200,000	\$3,956,000
34	I-205 @ Paradise/Chrisman	Construction of new interchange	\$40,000,000	\$20,800,000
35	SR-99 @ SR-12 (Kettleman Lane)	Reconstruct interchange	\$20,000,000	\$4,600,000
36	SR-99 @ Harney Lane	Reconstruct interchange	\$20,000,000	-
37	SR-99 @ North Main	Construct new interchange	\$8,900,000	-
38	SR-99 @ Austin Road	Reconstruct/Improve Interchange	\$30,000,000	\$6,900,000

Table 5

RTIF Capital Projects  
San Joaquin RTIF Nexus Study; EPS #15040

ID#	Project	Project Description	RTIF Master Project Costs (2)	Nexus Project Costs (3)
39	SR-120 @ McKinley	Reconstruct/Improve Interchange	\$28,200,000	\$6,486,000
40	SR-99 @ Olive Rd.	Construct Interchange to include connection with River Road	\$40,000,000	\$15,760,000
41	SR-99 @ Eight Mile Road	Reconstruct Interchange (PM 35.1-35.5)	\$36,120,000	\$8,307,600
42	SR-99 @ March Lane/Wilson	New interchange - Construct combined Wilson Way, March Lane Interchange (P.M. 21.1-22.1)	\$100,000,000	\$23,000,000
43	I-5 @ Arch Sperry/French Camp	Modify existing I-5/French Camp Road Interchange (P.M. 20.8-21.2)	\$35,000,000	\$8,050,000
44	SR-99 @ French Camp Road	Reconstruct interchange	\$35,000,000	-
45	SR-99 @ Arch Sperry Road	Phase 2 interchange improvements	\$15,000,000	-
46	SR-99 @ Armstrong Road	Reconstruct interchange	\$35,000,000	-
47	I-5 @ New Road A (N. Gateway)	Construction of new interchange	\$35,000,000	-
48	SR-99 @ New Road A (N. Gateway)	Construction of new interchange	\$35,000,000	\$1,000,000
49	SR-99 @ Morada Lane	Reconstruct interchange	\$17,000,000	\$3,910,000
50	I-5 @ Eight Mile Road	Interchange Modification	\$42,000,000	\$9,660,000
51	I-5 @ Otto Drive	Construction of new interchange	\$47,000,000	\$10,810,000
52	I-5 @ Hammer Lane	Interchange Modification	\$40,000,000	\$9,200,000
53	SR-99 @ Mariposa Road	Reconstruct interchange	\$35,000,000	-
54	SR-99 @ New Road	Construction of new interchange between French Camp Road and Arch-Sperry Road	\$35,000,000	-
55	I-5 @ Matthews Road	Reconstruct interchange	\$35,000,000	-
56	I-5 @ Roth Road	Reconstruct interchange	\$35,000,000	-
57	SR-132 @ I-5 and Bird Road	Upgrade interchange, lengthen ramps, widen approaches, install signal controls	\$10,000,000	-
58	I-580 @ Lammers Road	Construction of new interchange	\$55,000,000	-
59	I-580 @ Coral Hollow Road	Modification of existing interchange	\$20,000,000	\$12,650,000
60	I-205 @ Lammers Road	Construction of new interchange	\$55,000,000	\$6,900,000
61	I-205 @ Grantline Road	Modification of existing interchange	\$30,000,000	\$151,989,600
<b>Total Interchange Modifications, Reconstructions, and Improvements</b>			<b>\$986,420,000</b>	
<b>Regional Roadway Improvements</b>				
62	Lower Sacramento Road	Widen from 2 to 6 lanes, Eight Mile Road to Marada Lane	\$20,000,000	\$5,000,000
63	Lower Sacramento Road	Widen from 2 to 4 lanes, Armstrong Road to Eight Mile Road	\$10,000,000	-
64	Eight Mile Rd.	Widen from 2 to 8 lanes, I-5 to SR-99. Project involves 2 railroad grade separations.	\$50,000,000	\$11,500,000
65	Pacific Avenue	Widen from 6 to 8 lanes, Hammer Lane to March Lane	\$30,000,000	\$6,900,000
66	March Lane	Widen from 6 to 8 lanes, Claremont to West Lane	\$9,262,000	\$8,162,000
67	March Lane	Construct 8 lane Road from Holman to SR-99	\$25,000,000	\$5,000,000
68	West Lane	Widen from 4 to 6 lanes, Armstrong Road to Eight Mile Road	\$10,000,000	\$9,780,000
69	West Lane	Widen from 4 to 6 In.SPRR s/o Alpine-Calaveras River	\$44,200,000	\$43,669,600
70	West Lane	Widen from 6 to 8 lanes, Eight Mile Road to Alpine Avenue	\$35,000,000	\$33,390,000
71	West Lane/Airport Way	Widen from 4 to 6 lanes, Alpine Avenue to Arch Sperry Road	\$60,000,000	\$55,920,000
72	Airport Way	Widen from 2 to 6 lanes, French Camp Road to Roth Road	\$15,000,000	\$12,435,000
73	Airport Way	Widen from 4 to 8 lanes, Arch/Sperry Road to French Camp Road	\$20,000,000	\$15,960,000
74	New Road A	Construct 4 lanes, I-5 to SR-99. Project involves 2 railroad grade separations.	\$25,000,000	-
75	Thornton Road	Widen from 2 to 6 lanes, Bear Creek to Hammer Lane	\$20,000,000	\$4,600,000
76	Aksland Avenue	Construct 4 lanes, Otto Drive to March Lane	\$10,000,000	\$3,000,000
77	Ryde Avenue Bridge	Construct 4 lane bridge over the Calaveras River	\$5,000,000	-
78	Mariposa Road	Widen from 2 to 8 lanes, SR-99 to Austin Road	\$30,000,000	-

Table 5

RTIF Capital Projects  
San Joaquin RTIF Nexus Study; EPS #15040

ID#	Project	Project Description	RTIF Master Project Costs (2)	Nexus Project Costs (3)
79	Austin Road	Construct 6 lanes, SR-26 to Main Street	\$10,000,000	-
80	Austin Road	Construct 8 lanes, Main Street to Mariposa Road	\$60,000,000	-
81	Austin Road	Construct 6 lanes, Mariposa Road to Arch Road	\$5,000,000	-
82	Austin Road	Construct 4 lanes, Arch Road to French Camp Road	\$20,000,000	-
83	Arch-Sperry Rd.	Construct 2 to 8 lanes, I-5 to Performance Drive	\$65,000,000	\$14,950,000
84	Arch-Sperry Rd.	Construct 2 to 8 lanes, Performance Drive to Frontier Way	\$35,000,000	\$22,595,000
85	Arch-Sperry Rd.	Widen from 2 to 6 lanes, Frontier Way to Austin Road	\$10,000,000	\$5,690,000
86	French Camp Road	Widen from 2 to 6 lanes, SR-99 to Arch-Sperry Road	\$40,000,000	-
87	Harney Ln.	Widen from 2 to 4 lanes, SR-99 to Lower Sacramento Road (2.6 Miles)	\$12,250,000	\$2,817,500
88	Jack Tone Rd.	Widen from 2 to 4 lanes, SR-99 to SR-88	\$27,000,000	\$6,210,000
89	Liberty Road	Widen from 2 to 4 lanes, SR-99 to SR-88	\$24,974,000	-
90	Peltier Road	Widen from 2 to 4 lanes, SR-99 to I-5	\$15,500,000	-
91	Peltier Road	Widen from 2 to 4 lanes, SR-99 to Elliott Road	\$25,573,000	-
92	Elliott Road	Widen from 2 to 4 lanes, SR-88 to Peltier Road	\$12,900,000	-
93	Yosemite Ave	Widen from 2 to 4 lanes, City limit to North Ripon Rd. 3.05 miles.	\$4,758,000	-
94	Mariposa Road	Widen from 2 to 4 lanes, Austin Road to Jack Tone Road	\$17,352,000	-
95	Mariposa Road	Widen from 2 to 4 lanes, Jack Tone Road to Escalon-Belota Road	\$20,063,000	-
96	French Camp Road	Widen from 2 to 4 lanes, SR-99 to SR-120	\$26,084,000	-
97	Tracy Boulevard	Passing lanes and channelization	\$21,202,000	-
98	Howard Road	Passing lanes and channelization	\$23,935,000	-
99	Airport Way	Widen from 4 to 6 lanes, Lathrop Road to Roth Road.	\$9,293,000	\$2,137,390
100	Escalon-Belota Road	Widen from 2 to 4 lanes, Mariposa Road to Escalon City limit	\$4,009,000	\$1,519,411
101	Airport Way	Widen from 2 to 4 lanes, Yosemite to SR-120	\$1,153,000	\$937,389
102	Airport Way	Widen from 4 to 6 lanes, SR120-Lathrop Road (Maniteca)	\$4,900,000	\$4,209,100
103	Lathrop Rd.	Widen from 2 to 4 lanes from east of UPRR to SR-99	\$6,855,000	-
104	Golden Valley Parkway	Parallel facility along north/west side of I-5 from Lathrop Road to Paradise	\$59,290,000	\$40,910,100
105	Lathrop Rd.	Widen from 2 to 4 lanes, I-5 to east UPRR	\$2,560,000	-
106	Corral Hollow Road	Widen from 2 to 4 lanes, Grantline Road to Linne Road	\$20,000,000	-
107	Lammers Road	Widen from 2 to 4 Lanes, I-205 to I-580	\$40,000,000	-
108	Linne Road	Widen from 2 to 4 lanes, Corral Hollow Road to Chrisman Road	\$4,289,000	\$2,835,029
109	McHenry @ Ulirey Intersection	Intersection Improvement	\$800,000	\$499,200
110	Campbell Avenue	Widen from 2 to 4 lanes, From SR 120 north to Miller Road and east from Miller Road to Escalon-Belota Road	\$2,500,000	\$1,257,500
111	Campbell Avenue	Widen from 2 to 4 lanes, From Miller Road to Santa Fe Avenue.	\$2,500,000	-
112	Brennan Road	Widen from 2 to 4 lanes, SR 120 south to Jones Road and east from Jones Road to McHenry Avenue	\$2,500,000	-
113	Miller Road	Widen from 2 to 4 lanes, Escalon-Belota Avenue to Campbell Avenue	\$1,123,005	-
114	South Arterial #1	Widen from 2 to 4 lanes, Brennan Avenue to Harrold Avenue	\$5,054,790	-
115	Jones Road	Widen from 2 to 4 lanes, Brennan Road to Harrold Avenue	\$2,000,115	-
116	River Road Plus Extension	Widen from 2 to 4 Lanes From McHenry Avenue to SR 120. Includes Parallel Facility to SR 99 North to SR 120 with extension of Olive Road south to SJC line. May include roundabout (River Road @ McHenry).	\$25,000,000	-
117	West Ripon Road (1)	Widen existing road from 2 to 4 lanes and extend Ripon Road West to I-5	\$50,000,000	-
<b>Total Regional Roadway Improvements</b>			<b>\$1,138,879,910</b>	<b>\$321,884,219</b>

Table 5  
RTIF Capital Projects  
San Joaquin RTIF Nexus Study: EPS #15040

ID#	Project	Project Description	RTIF Master Project Costs (2)	Nexus Project Costs (3)
<b>Public Transit</b>				
118	Bus Rapid Transit (BRT)	Regional/Inter-Regional BRT system	\$100,412,410	\$19,931,535
119	Regional Busses	Purchase of buses for service expansion (Intercity/Interregional)	\$10,000,000	\$2,100,000
120	Altamont Commuter Express (ACE)	Acquisition of ACE Corridor between Lathrop and Niles Junction	\$45,000,000	\$6,950,000
	<b>Total Public Transit</b>		<b>\$155,412,410</b>	<b>\$28,981,535</b>
	<b>TOTAL ALL PROJECTS</b>		<b>\$5,438,212,320</b>	<b>\$560,818,424</b>

(1) Project delivery is contingent on the results of a feasibility study and pending analysis of the region's expressway needs.

(2) Represent all projects in the RTIF network. All projects are selected based on Inclusion Criteria.

(3) Represents RTIF projects/costs used to establish nexus.

## IV. RTIF MODEL AND FEE CALCULATION

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This chapter describes the modeling techniques used to identify eligible transportation projects and calculate the fee for the RTIF program. The fee is based on the RTIF capital project list costs attributable to new growth within the San Joaquin Region divided by projected development by land use category in the region.

### TRANSPORTATION MODEL

This Technical Report relies on the SJCOG travel demand model, a regional model used to conduct long-range planning and assess transportation impacts of major development projects in the County. The model has recently been updated, and was used in preparing the 2030 RTP. Therefore, the model is the best tool available for conducting a project such as the RTIF Report. The SJCOG model contains land use estimates for the year 2005, and projections for the year 2030. Both the 2005 and 2030 models were used in the RTIF Report.

### EXISTING DEFICIENCIES

As noted in **Chapter III**, the RTIF program excludes the proportion of a project cost that are attributable in whole or in part to correct “existing deficiencies” or pre-existing problems in the regional transportation system. Consequently, the transportation model was used to identify existing deficiencies in the RTIF Network. Specifically, the 2005 model was applied, and the Level of Service (LOS) of each facility in the network was assessed. Traffic volume thresholds for LOS calculation purposes were provided by SJCOG staff. These thresholds were based on the standard highway capacity tables prepared by the Florida Department of Transportation, and have been used in the preparation of the 2030 SJCOG RTP and other regional planning documents.

The operational standard for roads in the San Joaquin Region is LOS D. Therefore, all facilities that were estimated to operate at LOS E or F during the AM peak hour in the 2005 model were designated as having existing deficiencies. Any improvements designed to correct the deficiencies in the RTIF Network have been adjusted to exclude the portion that is attributable to existing deficiencies.

Because of limitations in the analytical methods available, no existing deficiency analysis was conducted for interchange; rather, it was assumed that these improvements were to be supported entirely by new development.

### TRAFFIC CONTRIBUTION

The total amount of traffic on each facility is broken down into two components: the traffic coming from or going to areas inside the San Joaquin Region (called “Internal Trips”) and the traffic coming from or going to areas outside the Region (called

“External Trips”). These External Trips are not the responsibility of the new development within San Joaquin Region, and thus need to be excluded from the fee calculation. This analysis was done on the basis of trip ends; therefore, the so-called I-X and X-I trips (trips that have one end in the region and one end outside the region) were considered to be one-half attributable to Internal Trips, and one-half attributable to External Trips.

The difference in total traffic volume on each project between 2005 and 2030 was calculated, and became the denominator of the traffic contribution ratio. The difference in volume associated with each of the categories described above was also calculated, and these became the numerators of the calculation. For example, if total traffic on a particular facility increased by 1,000 vehicles between 2005 and 2030, and if the traffic attributable to the San Joaquin Region area increased by 200 vehicles, then the percent contribution to that facility within the region would be  $200/1,000$  or 20 percent. The remaining 80 percent of the growth in traffic would be similarly calculated from the External Trips.

The trip distribution between inside and outside of the San Joaquin Region for all the RTIF projects is shown in **Table 6**. The values in Internal and External Trips should sum to 1.0, or 100 percent, for each RTIF project. With the External Trips screened out, **Table 7** also shows the net RTIF project costs by multiplying the Internal Trips factors by the total project costs.

## **PUBLIC TRANSIT CONTRIBUTION**

The total share of the public transit costs is determined by new development within the San Joaquin Region. Specifically, the total public transit share is calculated by multiplying the incremental DUE growth as a percent of the total DUE in 2030. Between 2005 and 2030, the DUE in the San Joaquin Region is estimated to increase by 163,319, as illustrated in **Table 4**. The new growth would contribute approximately 30 percent of the total DUE in 2030. As shown in **Table 6**, \$8.7 million of the public transit costs is supported by the RTIF program.

## **MAXIMUM FEE CALCULATION**

The maximum fee calculation is based on the net RTIF capital project costs attributable to the Internal Trips throughout the region divided by the projected number of new housing units, retail and commercial/industrial square feet developed in the County through year 2030. Specifically, the net RTIF capital project cost is divided by the total DUE growth, as calculated in **Table 4**, to obtain total cost per DUE for the San Joaquin Region as a whole.

A summary of the RTIF per DUE by project and for the San Joaquin Region as a whole is provided in **Table 7**. The actual fees by land use category are derived based on the DUE factors shown in **Table 3** (total fee per DUE multiplied by the DUE factor by land use category).



Table 6

**RTIF Trip Distribution and Net Project Costs  
San Joaquin RTIF Nexus Study; EPS #15040**

ID#	Project	Trip Distribution		Net Nexus Project Costs
		Internal Trips	External Trips	
Mainline Highway Projections				
1	SR-99	48.3%	51.7%	-
2	SR-99	31.3%	68.7%	-
3	I-5	54.1%	45.9%	-
4	I-5	59.9%	40.1%	-
5	I-5	61.3%	38.7%	-
6	I-205	46.4%	53.6%	-
7	SR-4 Extension	43.5%	56.5%	\$7,708,140
8	SR-99 Widening	54.1%	45.9%	-
9	SR-99	57.8%	42.2%	-
10	SR-99	48.3%	51.7%	-
11	SR-99 Widening	42.6%	57.4%	-
12	I-5	47.2%	52.8%	-
13	SR-99 Widening	54.8%	45.2%	-
14	SR-4 Crosstown Widening	60.0%	40.0%	-
15	SR-26 Widening	60.7%	39.3%	-
16	SR-4 Widening	48.6%	51.4%	-
17	SR 99 @ Crosstown Freeway	62.5%	37.5%	-
18	I-5/SR 4 @ Crosstown Freeway	65.5%	34.5%	-
19	I-5/SR-120	33.2%	66.8%	\$2,204,480
20	SR-120	29.1%	70.9%	-
21	SR-12	78.7%	21.3%	\$24,774,760
22	SR-99	41.3%	58.7%	-
23	SR-99	48.0%	52.0%	-
24	I-5	45.2%	54.8%	-
25	I-5 Widening	58.1%	41.9%	-
26	SR-12 @ I-5	46.1%	53.9%	-
27	SR-99 @ SR-88	65.8%	34.2%	-
28	SR-99 @ SR-26	69.1%	30.9%	-
29	SR-26	57.0%	43.0%	-
30	SR-120 West of Escalon	30.6%	69.4%	-
31	SR-120 East of Escalon	26.7%	73.3%	-
32	SR-88	45.5%	54.5%	-
Interchange Modifications, Reconstructions, and Improvements				
33	I-5 @ Lathrop Road	70.5%	29.5%	\$2,788,980
34	I-205 @ Paradise/Chrisman	62.3%	37.7%	\$12,958,400
35	SR-99 @ SR-12 (Kettleman Lane)	86.0%	14.0%	\$3,956,000
36	SR-99 @ Harney Lane	86.9%	13.1%	-
37	SR-99 @ North Main	82.5%	17.5%	-
38	SR-99 @ Austin Road	67.7%	32.3%	\$4,671,300
39	SR-120 @ McKinley	77.5%	22.5%	\$5,026,650
40	SR-99 @ Olive Rd.	40.2%	59.8%	\$6,335,520
41	SR-99 @ Eight Mile Road	64.2%	35.8%	\$5,333,479
42	SR-99 @ March Lane/Wilson	73.0%	27.0%	\$16,790,000
43	I-5 @ Arch Sperry/French Camp	56.8%	43.2%	\$4,572,400
44	SR-99 @ French Camp Road	48.7%	51.3%	-
45	SR-99 @ Arch Sperry Road	57.5%	42.5%	-

Table 6

**RTIF Trip Distribution and Net Project Costs  
San Joaquin RTIF Nexus Study; EPS #15040**

ID#	Project	Trip Distribution		Net Nexus Project Costs
		Internal Trips	External Trips	
46	SR-99 @ Armstrong Road	89.2%	10.8%	-
47	I-5 @ New Road A (N. Gateway)	97.6%	2.4%	-
48	SR-99 @ New Road A (N. Gateway)	71.5%	28.5%	-
49	SR-99 @ Marada Lane	65.4%	34.6%	\$654,000
50	I-5 @ Eight Mile Road	67.2%	32.8%	\$2,627,520
51	I-5 @ Otto Drive	65.9%	34.1%	\$6,365,940
52	I-5 @ Hammer Lane	91.1%	8.9%	\$9,847,910
53	SR-99 @ Mariposa Road	59.3%	40.7%	\$5,455,600
54	SR-99 @ New Road	60.8%	39.2%	-
55	I-5 @ Matthews Road	72.5%	27.5%	-
56	I-5 @ Roth Road	70.2%	29.8%	-
57	SR-132 @ I-5 and Bird Road	44.7%	55.3%	-
58	I-580 @ Lammers Road	50.5%	49.5%	-
59	I-580 @ Coral Hollow Road	36.5%	63.5%	-
60	I-205 @ Lammers Road	58.5%	41.5%	\$7,400,250
61	I-205 @ Grantline Road	70.8%	29.2%	\$4,885,200
<b>Regional Roadway Improvements</b>				
62	Lower Sacramento Road	83.2%	16.8%	\$4,160,000
63	Lower Sacramento Road	93.8%	6.2%	-
64	Eight Mile Rd.	69.5%	30.5%	\$7,992,500
65	Pacific Avenue	95.2%	4.8%	\$6,568,800
66	March Lane	93.2%	6.8%	\$7,606,984
67	March Lane	85.0%	15.0%	\$4,250,000
68	West Lane	96.1%	3.9%	\$9,398,580
69	West Lane	98.8%	1.2%	\$43,145,565
70	West Lane	94.9%	5.1%	\$31,687,110
71	West Lane/Airport Way	93.4%	6.6%	\$52,229,280
72	Airport Way	85.0%	15.0%	\$10,569,750
73	Airport Way	79.3%	20.7%	\$12,656,280
74	New Road A	67.9%	32.1%	-
75	Thornton Road	77.8%	22.2%	\$3,578,800
76	Aksland Avenue	87.0%	13.0%	\$2,610,000
77	Ryde Avenue Bridge	96.4%	3.6%	-
78	Mariposa Road	57.3%	42.7%	-
79	Austin Road	53.7%	46.3%	-
80	Austin Road	68.6%	31.4%	-
81	Austin Road	62.4%	37.6%	-
82	Austin Road	65.0%	35.0%	-
83	Arch-Sperry Rd.	61.4%	38.6%	\$9,179,300
84	Arch-Sperry Rd.	63.3%	36.7%	\$14,302,635
85	Arch-Sperry Rd.	64.0%	36.0%	\$3,641,600
86	French Camp Road	45.7%	54.3%	-
87	Harney Ln.	89.9%	10.1%	\$2,532,933
88	Jack Tone Rd.	55.3%	44.7%	\$3,434,130
89	Liberty Road	17.5%	82.5%	-
90	Peltier Road	39.2%	60.8%	-
91	Peltier Road	38.8%	61.2%	-

**Table 6**  
**RTIF Trip Distribution and Net Project Costs**  
**San Joaquin RTIF Nexus Study; EPS #15040**

ID#	Project	Trip Distribution		Net Nexus Project Costs
		Internal Trips	External Trips	
92	Elliott Road	52.2%	47.8%	-
93	Yosemite Ave	29.3%	70.7%	-
94	Mariposa Road	53.4%	46.6%	-
95	Mariposa Road	49.6%	50.4%	-
96	French Camp Road	52.1%	47.9%	-
97	Tracy Boulevard	47.0%	53.0%	-
98	Howard Road	55.5%	44.5%	-
99	Airport Way	80.6%	19.4%	\$1,722,736
100	Escalon-Belota Road	37.1%	62.9%	\$563,701
101	Airport Way	81.5%	18.5%	\$763,972
102	Airport Way	85.1%	14.9%	\$3,581,944
103	Lathrop Rd.	66.0%	34.0%	-
104	Golden Valley Parkway	68.7%	31.3%	\$28,105,239
105	Lathrop Rd.	69.0%	31.0%	-
106	Corral Hollow Road	74.1%	25.9%	-
107	Lammers Road	59.3%	40.7%	-
108	Linne Road	67.5%	32.5%	\$1,913,645
109	McHenry @ Ullrey Intersection	62.7%	37.3%	\$312,998
110	Campbell Avenue	51.7%	48.3%	\$650,128
111	Campbell Avenue	59.2%	40.8%	-
112	Brennan Road	37.6%	62.4%	-
113	Miller Road	50.1%	49.9%	-
114	South Arterial #1	52.4%	47.6%	-
115	Jones Road	52.4%	47.6%	-
116	River Road Plus Extension	14.9%	85.1%	-
117	West Ripon Road (1)	68.2%	31.8%	-
<b>Public Transit (2)</b>				
118	Bus Rapid Transit (BRT)	n/a	n/a	\$5,993,758
119	Regional Busses	n/a	n/a	\$631,506
120	Altamont Commuter Express (ACE)	n/a	n/a	\$2,089,985
<b>Total</b>				<b>\$410,230,388</b>

(1) Project delivery is contingent on the results of a feasibility study and pending analysis of the region's expressway needs.

(2) All public transit costs based on the incremental DUE growth as 30% of the total DUE in 2030.

Table 7

## RTIF Fee Calculation

San Joaquin RTIF Nexus Study; EPS #15040

ID#	Project	Cost Per DUE (1)
<b>Mainline Highway Projections</b>		
1	SR-99	-
2	SR-99	-
3	I-5	-
4	I-5	-
5	I-5	-
6	I-205	\$47.20
7	SR-4 Extension	-
8	SR-99 Widening	-
9	SR-99	-
10	SR-99	-
11	SR-99 Widening	-
12	I-5	-
13	SR-99 Widening	-
14	SR-4 Crosstown Widening	-
15	SR-26 Widening	-
16	SR-4 Widening	-
17	SR 99 @ Crosstown Freeway	-
18	I-5/SR 4 @ Crosstown Freeway	\$13.50
19	I-5/SR-120	-
20	SR-120	\$151.70
21	SR-12	-
22	SR-99	-
23	SR-99	-
24	I-5	-
25	I-5 Widening	-
26	SR-12 @ I-5	-
27	SR-99 @ SR-88	-
28	SR-99 @ SR-26	-
29	SR-26	-
30	SR-120 West of Escalon	-
31	SR-120 East of Escalon	-
32	SR-88	-
<b>Interchange Modifications, Reconstructions, and Improvements</b>		\$17.08
33	I-5 @ Lathrop Road	\$79.34
34	I-205 @ Paradise/Chrisman	\$24.22
35	SR-99 @ SR-12 (Kettleman Lane)	-
36	SR-99 @ Harney Lane	-
37	SR-99 @ North Main	\$28.60
38	SR-99 @ Austin Road	\$30.78
39	SR-120 @ McKinley	\$38.79
40	SR-99 @ Olive Rd.	\$32.66
41	SR-99 @ Eight Mile Road	\$102.81
42	SR-99 @ March Lane/Wilson	\$28.00
43	I-5 @ Arch Sperry/French Camp	-
44	SR-99 @ French Camp Road	-
45	SR-99 @ Arch Sperry Road	-
46	SR-99 @ Armstrong Road	-

**Table 7**  
**RTIF Fee Calculation**  
**San Joaquin RTIF Nexus Study; EPS #15040**

ID#	Project	Cost Per DUE (1)
47	I-5 @ New Road A (N. Gateway)	-
48	SR-99 @ New Road A (N. Gateway)	-
49	SR-99 @ Marada Lane	\$4.00
50	I-5 @ Eight Mile Road	\$16.09
51	I-5 @ Otto Drive	\$38.98
52	I-5 @ Hammer Lane	\$60.30
53	SR-99 @ Mariposa Road	\$33.40
54	SR-99 @ New Road	-
55	I-5 @ Matthews Road	-
56	I-5 @ Roth Road	-
57	SR-132 @ I-5 and Bird Road	-
58	I-580 @ Lammers Road	-
59	I-580 @ Coral Hollow Road	-
60	I-205 @ Lammers Road	\$45.31
61	I-205 @ Grantline Road	\$29.91
<b>Regional Roadway Improvements</b>		
62	Lower Sacramento Road	\$25.47
63	Lower Sacramento Road	-
64	Eight Mile Rd.	\$48.94
65	Pacific Avenue	\$40.22
66	March Lane	\$46.58
67	March Lane	\$26.02
68	West Lane	\$57.55
69	West Lane	\$264.18
70	West Lane	\$194.02
71	West Lane/Airport Way	\$319.80
72	Airport Way	\$64.72
73	Airport Way	\$77.49
74	New Road A	-
75	Thornton Road	\$21.91
76	Aksland Avenue	\$15.98
77	Ryde Avenue Bridge	-
78	Mariposa Road	-
79	Austin Road	-
80	Austin Road	-
81	Austin Road	-
82	Austin Road	-
83	Arch-Sperry Rd.	\$56.20
84	Arch-Sperry Rd.	\$87.57
85	Arch-Sperry Rd.	\$22.30
86	French Camp Road	-
87	Harney Ln.	\$15.51
88	Jack Tone Rd.	\$21.03
89	Liberty Road	-
90	Peltier Road	-
91	Peltier Road	-
92	Elliott Road	-
93	Yosemite Ave	-

**Table 7**  
**RTIF Fee Calculation**  
**San Joaquin RTIF Nexus Study; EPS #15040**

ID#	Project	Cost Per DUE (1)
94	Mariposa Road	-
95	Mariposa Road	-
96	French Camp Road	-
97	Tracy Boulevard	-
98	Howard Road	-
99	Airport Way	\$10.55
100	Escalon-Belota Road	\$3.45
101	Airport Way	\$4.68
102	Airport Way	\$21.93
103	Lathrop Rd.	-
104	Golden Valley Parkway	\$172.09
105	Lathrop Rd.	-
106	Corral Hollow Road	-
107	Lammers Road	-
108	Linne Road	\$11.72
109	McHenry @ Ullrey Intersection	\$1.92
110	Campbell Avenue	\$3.98
111	Campbell Avenue	-
112	Brennan Road	-
113	Miller Road	-
114	South Arterial #1	-
115	Jones Road	-
116	River Road Plus Extension	-
117	West Ripon Road (2)	-
<b>Public Transit</b>		
118	Bus Rapid Transit (BRT)	\$36.70
119	Regional Busses	\$3.87
120	Altamont Commuter Express (ACE)	\$12.80
<b>Total</b>		<b>\$2,511.84</b>

(1) Net RTIF project cost divided by total DUE of 163,319

(2) Project delivery is contingent on the results of a feasibility study and pending analysis of the region's expressway needs.



# REGIONAL TRANSPORTATION IMPACT FEE



October 27, 2005

**SAN JOAQUIN COUNTY  
REGIONAL TRANSPORTATION IMPACT FEE PROGRAM  
OPERATING AGREEMENT**

THIS REGIONAL TRANSPORTATION IMPACT FEE PROGRAM OPERATING AGREEMENT (“Agreement”) dated as of the Effective Date is made by and between the San Joaquin Council of Governments (“SJCOG”), and the following eight public agencies located within San Joaquin County (collectively the “Participating Agencies”), including, the County of San Joaquin (“County”), the City of Escalon (“Escalon”), the City of Manteca (“Manteca”), the City of Lathrop (“Lathrop”), the City of Lodi (“Lodi”) the City of Ripon (“Ripon”) the City of Stockton (“Stockton”), and the City of Tracy (“Tracy”) (the identified cities are hereinafter collectively the “Cities”).

**RECITALS**

WHEREAS, SJCOG has the responsibility as the region’s designated Metropolitan Planning Organization and through its powers as specified in its joint powers agreement to maintain and improve the Regional Transportation Network, and

WHEREAS, the Participating Agencies and SJCOG find that future development within the County of San Joaquin will result in traffic volumes in excess of capacity on a regional system of highways, interchanges, and local roadways; and,

WHEREAS, the Participating Agencies and SJCOG find that failure to expand the capacity of the existing circulation system will cause unacceptable levels of congestion on the Regional Transportation Network; and,

WHEREAS, the Participating Agencies and SJCOG find that existing and future sources of revenue are inadequate to fund substantial portions of the Regional Transportation Network improvements needed to avoid unacceptable levels of congestion and related adverse impacts; and,

WHEREAS, SJCOG, following extensive analysis and consultations with the Participating Agencies and other stakeholders, has prepared a Regional Transportation Impact Program Fee Technical Report (“RTIF Technical Report”) that establishes a nexus between new development and its impacts (increased travel demand, reductions in service levels, and the need for capital improvements) upon the Regional Transportation Network; and,

WHEREAS, the Participating Agencies and SJCOG find and declare that the RTIF Technical Report has determined the extent to which new development of land will generate traffic volumes impacting the Regional Transportation Network and have determined that the Regional Transportation Impact Fee Program (“RTIF Program”) establishes a fair and equitable method to fund costs of transportation improvements necessary to accommodate the traffic volumes generated by future development of land within each City and the County; and,



WHEREAS, the Participating Agencies and SJCOG find and declare that the RTIF Program is necessary to help mitigate the impact of new development on the Regional Transportation Network and along with other transportation funding mechanisms, in providing for the construction of improvements to accommodate traffic generated by land development; and,

WHEREAS, the Participating Agencies and SJCOG have determined that it is in their best interest to join together to administer the funds provided by the RTIF Program and to authorize SJCOG to manage the RTIF Program for the San Joaquin County region; and,

WHEREAS, the Participating Agencies and SJCOG find and declare that in order to serve the purposes described herein, additional funding, other than that received from the RTIF Program is necessary and must be obtained and each party agrees to cooperate in obtaining additional funding; and,

WHEREAS, the Participating Agencies and SJCOG find and declare SJCOG prepared, adopted and certified in July 2004 a Final Program Environmental Impact Report (“EIR”) for the 2004 Regional Transportation Plan, State Clearing House number 2003082053, and the RTIF Program is hereby adopted in reliance on and consistent with this previously prepared, approved and certified EIR.

WHEREAS, the Participating Agencies have adopted or will adopt a Regional Transportation Impact Program Fee (“RTIF Program Fee” or “RTIF Fee”) pursuant to their authority to protect the public health, safety, and welfare consistent with the provisions of California Government Code Section 66000 et seq.; and,

WHEREAS, the integrity and success of the RTIF Program is dependent upon all Participating Agencies and SJCOG working cooperatively with each other in order to fulfill their obligations faithfully and promptly; and,

WHEREAS, funds collected pursuant to the Participating Agencies’ ordinances and/or resolutions adopting the RTIF Program are to be held and expended by the Participating Agencies and SJCOG as specified herein.

## **AGREEMENT**

Now, therefore, in consideration of the mutual promises and undertakings herein made and the mutual benefits to be derived therefrom, the parties hereto represent, covenant and agree as follows:

### **SECTION 1. PURPOSE**

1.1. The RTIF Program requires management procedures that assure that the objective of the RTIF Program is achieved. Specifically, the RTIF Program objective is to obtain funding from development projects that have an impact upon the Regional Transportation Network and to integrate these funds with federal, State, and other local funding to fund transportation improvements identified in the RTIF Program. While the RTIF Program and the RTIF Program

Fee will be imposed and collected by the Participating Agencies, the RTIF Program will be managed for the benefit of the entire County region.

1.2. This Agreement defines the terms of the required management procedures for Participating Agencies and SJCOG including specifications regarding levy and collection, administration, project selection, fund management, appropriation of fee funds, and ongoing technical review and updating.

## **SECTION 2. DEFINITIONS**

2.1. "Development Project" or "Project" means any project undertaken for the purpose of development including the issuance of a permit for construction or reconstruction, but not a permit to operate.

2.2. "Industrial Project" means any Development Project that proposes manufacturing, transportation, logistics or warehousing as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.3. "Measure K" means the San Joaquin County Transportation Authority Local Transportation Improvement Plan: Air Quality, Mandatory Developer Fees and Growth Management Ordinance which establishes and implements a retail transactions and use tax, as may be extended from time to time.

2.4. "Multi-Family Residential Unit" means a Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.5. "Office Project" means any Development Project that involves business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal and laundry services, or similar uses, and religious centers as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit "A" hereto and incorporated herein by reference.

2.6. "Participating Agencies" means the County of San Joaquin and each of the cities situated in San Joaquin County if such agencies have (1) adopted the RTIF Program Fee by ordinance and/or resolution and (2) entered into this Agreement.

2.7. "Regional Transportation Impact Fee Program" or "RTIF Program" is the regional program established by this Agreement by the Participating Agencies and SJCOG to impose, collect and distribute a RTIF Fee to assist in the funding of transportation improvements to the Regional Transportation Network.

2.8. "Regional Transportation Impact Program Fee" or "RTIF Program Fee" or "RTIF Fee" means the fee established by each Participating Agency consistent with this Agreement to implement the RTIF Program.

2.9. “Regional Transportation Network” means the regional network of highways and arterials as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG.

2.10. “RTIF Capital Projects” or “Capital Projects” or “RTIF Project List” is the RTIF Program improvements and projects as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG’s adoption and amendment of a “RTIF Capital Projects Report.”

2.11. “RTIF Capital Projects Report” means the report adopted by SJCOG annually which identifies the RTIF Capital Projects as amended from time to time consistent with Section 9 of this Agreement.

2.12. “RTIF Technical Report” means the San Joaquin County Regional Transportation Impact Fee RTIF Technical Report dated XXXXX, and prepared pursuant to California Government Code, Section 66000 et seq., the Mitigation Fee Act.

2.13. "Residential Dwelling Unit" means a building or portion thereof which is designed primarily for residential occupancy by one family including single-family and multi-family dwellings. "Residential Dwelling Unit" shall not include hotels or motels.

2.14. "Retail Project" means any Development Project that retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise at a fixed point of sale as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit “A” hereto and incorporated herein by reference.

2.15. "Single-Family Residential Unit" means the use of a parcel for only one residential dwelling unit as identified in the RTIF Land Use Fee Category Summary which is attached as Exhibit “A” hereto and incorporated herein by reference.

### **SECTION 3. FEE RATE**

3.1. Establishing RTIF Program Fee. Within ninety (90) days of entering into this Agreement, each Participating Agency shall adopt a RTIF Program Fee in an amount equal to the following fees for each identified land use category consistent with the fee schedule adopted by the SJCOG on October 27, 2005.

RESIDENTIAL		NON – RESIDENTIAL		
Single Family	Multi-Family	Retail	Office	Industrial
\$2,500.00	\$1,500.00	\$1.00	\$1.25	\$0.75
DUE	DUE	Square Foot	Square Foot	Square Foot

3.2. Annual Adjustment. The RTIF Program Fee described in section 3.1 above shall be automatically adjusted by each Participating Agency on an annual basis at the beginning of each fiscal year (July 1) based on the Engineering News Record California Construction Cost Index.

## SECTION 4. COLLECTION OF RTIF PROGRAM FEES

4.1. Payment of RTIF Program Fees. Payment of the RTIF Program Fees shall be as follows:

(a). The RTIF Program Fees shall be paid at the time of issuance of a building permit for the Development Project, or as otherwise required or permitted pursuant to Government Code section 66007.

(b). The amount of the RTIF Program Fees shall be the fee amounts in effect at the time of payment.

(c). RTIF Program Fees shall not be waived.

4.2. Payment by all Development Projects. Except as otherwise expressly provided by this Agreement, the RTIF Program Fee imposed by all Participating Agencies shall be payable by (1) all Development Projects within the jurisdiction of the Participating Agency for which building permits or other entitlements for Development Projects are issued on or after the effective date of the adoption of the RTIF Program Fee by the Participating Agency, and (2) all Development Projects within the Participating Agency for which building permits or other entitlements for Development Projects were issued prior to the effective date of the adoption of the RTIF Program Fee by the Participating Agency and which permits or entitlements were issued subject to a condition requiring the developer to pay a RTIF Program Fee to be imposed upon such Development Project within the jurisdiction of the Participating Agency.

4.3. Exemptions from the RTIF Program Fee. The following Development Projects shall not be subject to the RTIF Program Fee:

(a). The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing legal dwelling unit, including an expansion of an existing dwelling unit that does not create an additional dwelling unit.

(b). The rehabilitation and/or reconstruction of any non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.

(c). Development Projects for which an application for a vesting tentative map authorized by Government Code Section 66498.1 was deemed complete on or prior to the effective date of the adoption of the RTIF Program Fee by the Participating Agency.

(d). Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq. prior to the effective date of the adoption of the RTIF Program Fee by the Participating Agency, wherein the imposition of new fees are expressly prohibited by the development agreement, provided, however, that if the term of such a development agreement is extended after the effective date of the adoption of the RTIF Program Fee, the RTIF Program Fee shall be imposed.

4.4. Future Development Agreements. All future development agreements entered into by the Participating Agencies shall require the full payment of the RTIF Program Fee.

4.5. Payments for non-residential projects. For non-residential projects the amount of the fee imposed on the entire Development Project shall be determined based upon (1) the gross floor area and (2) the predominant use of the building or structure as identified in the building permit.

4.6. Payment for mixed use projects. For mixed land use projects, which are projects that have both residential and non-residential uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the following:

- (a) The fee associated with the type of residence; and,
- (b) The predominant use of the non-residential portion of the project.

4.7. Previously Paid RTIF Program Fees. In the event that RTIF Program Fees have previously been paid for an existing building which is a new Development Project with a new or different RTIF Fee category, the previously paid RTIF Program Fees for that existing building shall be credited against the amount of the RTIF Program Fee attributable to the new Development Project, up to the amount of the previously paid RTIF Program Fee. A rebate will not be granted if the change in land use represents a lower fee.

## **SECTION 5. DISTRIBUTION OF RTIF PROGRAM FEES**

5.1. Purpose of RTIF Program Fees. Except as otherwise provided in this Agreement, all RTIF Program Fees received by each Participating Agency or SJCOG shall be used solely for the purpose of funding Regional Transportation Network projects as specified in the RTIF Technical Report and which are included within the RTIF Capital Projects Report. Each Participating Agency and SJCOG may spend RTIF Program Fees held by that entity on RTIF Capital Projects at the discretion of that entity.

5.2. Distribution of Fee Revenue. All fees collected by each Participating Agency pursuant to the RTIF Program Fee shall be distributed as follows:

- (a). Ten (10) percent of the amounts collected by the Cities shall be paid directly to the County on a quarterly basis for the purpose of funding RTIF Capital Projects within the County of San Joaquin.
- (b). Ten (10) percent of the amounts collected by each Participating Agency shall be paid directly to SJCOG on a quarterly basis for the purposes of funding state highway improvements on the RTIF Project List.
- (c). Five (5) percent of the amounts collected by each Participating Agency shall be paid directly to SJCOG on a quarterly basis for the purposes of funding transit improvements on the RTIF Project List.
- (d). Seventy Five (75) percent of the amounts collected by each city shall be retained by each city collecting such funds for the purposes of funding RTIF Capital Projects, and Eighty Five (85) percent of the amounts collected by the County shall be retained by the County for the purposes of funding RTIF Capital Projects. In the event a

Participating Agency determines it does not want to retain or manage this portion of the RTIF Program Fees, the Participating Agency may provide this portion of the RTIF Program Fees to SJCOG for administration to assist with the construction of Capital Projects on behalf of the Participating Agency.

## **SECTION 6. ADMINISTRATIVE COSTS**

6.1. Participating Agency Administrative Costs. The amount of RTIF Program Fee funds that are permitted to be used by each Participating Agency to cover ongoing administrative costs of implementing the RTIF Program shall be limited to up to two (2) percent of the first one million dollars (\$1,000,000) retained each year by each City pursuant to subdivision (d) of section 5.2 of this agreement or received each year by the County pursuant to subdivisions (a) and (d) of section 5.2 of this Agreement. In addition, each Participating Agency may use up to one (1) percent of the amounts retained or received each year in excess of the initial one million dollars (\$1,000,000).

6.2. SJCOG Administrative Costs. The amount of RTIF Program Fee funds permitted to be used by SJCOG to cover ongoing administrative costs of implementing the RTIF Program shall be limited to up to two percent (2%) of the first one million dollars (\$1,000,000) received each year by SJCOG pursuant to subdivision (b) and (c) of section 5.2 of this agreement and up to one percent (1%) of the amounts received each year in excess of the initial one million dollars (\$1,000,000).

6.3. Initial Third Party Costs. Each Participating Agency and SJCOG shall be responsible for paying third party costs incurred by SJCOG to establish the RTIF Program, including, but not limited to, the preparation of the RTIF Technical Report, the Capital Projects Report, and the RTIF Program documents. The amount of third party costs each Participating Agency and SJCOG shall pay is to be based on the percentage of the total County-wide RTIF Program Fees retained by each Participating Agency and SJCOG pursuant to section 5.2 of this Agreement. The amount payable to SJCOG by each Participating Agency and SJCOG shall be calculated by SJCOG based on actual RTIF Program Fees collected by each Participating Agency and SJCOG six (6) months from the Effective Date of this Agreement. The payments to SJCOG pursuant to this section 6.3 shall be made within one (1) year of the Effective Date of this Agreement. Payments for the initial third party costs shall not be considered administrative costs and shall not be subject to the limitations provided in sections 6.1 and 6.2 of this Agreement.

6.4. On-going Third Party Costs. On-going third party costs approved by the SJCOG Board of Directors to regionally implement the RTIF Program will be paid to SJCOG by each Participating Agency and SJCOG on a semiannual basis. The amount of on-going third party costs each Participating Agency and SJCOG shall pay is based on percentage of the total County-wide RTIF Program Fees retained by each Participating Agency and SJCOG pursuant to section 5.2 of this Agreement. These payments for the on-going third party costs shall not be considered administrative costs and shall not be subject to the limitations provided in sections 6.1 and 6.2 of this Agreement.

6.5. Legal Challenges. In the event that any Participating Agency and/or SJCOG is subject to a legal challenge of the RTIF Program then all Participating Agencies and SJCOG will be responsible for the costs associated with such legal challenge. At the time of such legal challenge the Participating Agencies and SJCOG will coordinate the defense of such legal challenge and the costs incurred for such legal challenge will be the responsibility of the Participating Agencies and SJCOG based on percentage of the total County-wide RTIF Program Fees retained by each Participating Agency and SJCOG pursuant to section 5.2 of this Agreement. For the purposes of this section 6.5, a legal challenge of the RTIF Program is limited to a challenge to either (a) the legal ability to adopt or impose the RTIF Program; or (b) the validity of the RTIF Technical Report. This section 6.5. will not apply to any legal challenge due to the manner of implementation of the RTIF Program that is either unique to a Participating Agency or that is not consistent with the provisions of this Agreement.

## **SECTION 7. ADMINISTRATION OF THE RTIF PROGRAM**

7.1. RTIF Account or RTIF Funds. All fees collected pursuant to the RTIF Program Fee by each Participating Agency shall be deposited in a RTIF account or RTIF fund and shall not be commingled with other funds of the Participating Agency. The contents of this RTIF fund shall be designated solely for the purpose of contributing to the financing of the RTIF Capital Projects included in the RTIF Capital Projects Report and for the funding of incidental administrative costs. Any interest income earned on the RTIF fund shall also be deposited therein and shall only be expended for the purposes as set forth in this Agreement.

7.2. Prohibition on Interfund Transfers or Loans. Notwithstanding subsection (b)(1)(G) of section 66006 of the Government Code there shall be no interfund transfer, grant or loan of the RTIF Program Fees or RTIF fund or RTIF account to other accounts, funds, programs or fees. However, a Participating Agency may provide loans, grants or transfers of RTIF Program Fees to other Participating Agencies or SJCOG provided that such funds are consistent with the RTIF Program and used for the development or construction of RTIF Capital Projects.

7.3. Reporting Requirements. Each Participating Agency and SJCOG shall prepare and deliver to the Executive Director of SJCOG semiannual reports by February 28 and August 31 of each year of the status of the RTIF Program and RTIF Program Fees collected by that Participating Agency or received by SJCOG. These reports, which will be reviewed by the SJCOG Board of Directors, shall specify the amount of RTIF Program Fee revenue collected and the corresponding fee generating activity, including, such information as the types of permits issued by land use category, developer credits and reimbursements granted, RTIF Program revenue applied to RTIF Capital Projects, and the status of RTIF Program fees forwarded to the County and SJCOG by the Cities.

7.4. Annual Reports. Each Participating Agency shall prepare an annual report consistent with the requirements of the Fee Mitigation Act (Gov. Code §§ 66000 et seq.) regarding the RTIF Program Fees and submit that report to the Executive Director of SJCOG by November 15 of each year that RTIF Program Fee funds are held by the Participating Agency. For purposes of preparing the annual reports to satisfy the requirements of the Fee Mitigation Act, SJCOG and the County shall coordinate with and provide to each Participating Agency in a timely manner, and no later than October 15 of each year, all necessary information regarding

the RTIF Program funds held by SJCOG and the County that were distributed to the County and SJCOG from the Participating Agencies pursuant to section 5.2 of this Agreement.

7.5. Annual Audit. The RTIF Program financial activity for each Participating Agency and SJCOG shall be reviewed annually by March 31 of each year by an independent certified public accountant selected and retained by SJCOG.

7.6. RTIF Program Administrator. SJCOG is the monitor of the RTIF Program and will monitor all fee revenue generated pursuant to the RTIF Program as reported by all Participating Agencies. SJCOG shall prepare an annual report in coordination with each Participating Agency at the end of each fiscal year, which will be reviewed by the SJCOG Board of Directors.

## **SECTION 8. PERIODIC REVIEW OF RTIF PROGRAM FEES**

8.1. Except as otherwise provided in Section 3.2 of this Agreement, the RTIF Program Fee shall not be adjusted during the first five years following the Effective Date of this Agreement. Thereafter, the RTIF Program Fee shall be evaluated, and adjusted accordingly, by all Participating Agencies and SJCOG every five (5) years to reflect the projected revenues generated or any other local or new funding sources, and to reflect changes in actual and estimated costs of the RTIF Capital Projects including, but not limited to, debt service, lease payments and construction costs. This evaluation shall include the report required by the Fee Mitigation Act (Gov. Code §§ 66000 et seq.) which includes, but is not limited to, all of the following information:

- (a). Identifies the purpose (project need) to which the fee is to be put;
- (b). Demonstrates a reasonable relationship between the fee and the purpose for which it is charged;
- (c). Identifies all sources and amounts of funding anticipated to complete financing in incomplete improvements;
- (d). Commits RTIF Program funds to RTIF Capital Project(s) and indicates that such funds are expended or reimbursed within the time periods established by the Fee Mitigation Act requirements; and,
- (e). Identifies the RTIF Capital Projects to be constructed, the estimated costs of the RTIF Capital Projects, the costs to be funded by the RTIF Program Fee revenue, and the availability or lack thereof of other funds with which to construct the Regional Transportation Network.

8.2. If the periodic reports prepared pursuant to section 8.1 above demonstrates a need, the Participating Agencies, in coordination with SJCOG, may consider modifying the RTIF Program Fee amount to insure that it is a fair and equitable method of distributing the costs of the improvements necessary to accommodate traffic volumes generated by future growth.

8.3. SJCOG and the County shall coordinate with each Participating Agency in the preparation of the periodic reports required by Section 8.1 of this Agreement and the Fee



Mitigation Act, and provide any and all information and/or commitments necessary regarding RTIF Program fees distributed to SJCOG and the County from the Cities. In the event RTIF Program fees must be refunded pursuant to section 66001 of the Government Code, SJCOG and the County will provide to each City for refund any proportional share of RTIF Funds that must be refunded that were distributed to SJCOG and/or the County by each City.

## **SECTION 9. SJCOG CAPITAL PROJECTS SELECTION.**

9.1. RTIF Capital Projects Report. SJCOG will be responsible for establishing and maintaining the RTIF Project List. From time to time, at the request of a Participating Agency, and at least annually, SJCOG shall review the RTIF Capital Projects Report to add, modify, or remove RTIF Capital Projects. Each Participating Agency will have the opportunity to suggest changes to the Capital Projects within the RTIF Program at this time. SJCOG will make any and all changes to the Capital Projects Report annually taking into consideration the comments received from each Participating Agency consistent with the screening criteria contained within the RTIF Technical Report.

9.2. Project Inclusion Criteria. The technical basis of the RTIF Program is a list of road improvement projects identified as Capital Projects within the Regional Transportation Network which are eligible and appropriate for funding from the RTIF Program. The inclusion criteria used to select the RTIF Capital Projects are as set forth in the RTIF Technical Report. It is the application of these criteria that assure adherence to the required nexus principles. Modification to the inclusion criteria will require approval by resolution of all Participating Agencies and an update of the RTIF Technical Report.

9.3. Selection of New Capital Projects. Any new projects recommended for listing as a RTIF Capital Project must be modeled and screened consistent with the requirements of the Mitigation Fee Act (Gov. Code §§ 66000 et seq.) criteria for establishing a rational nexus. In addition, new projects added to the RTIF Project List must meet all of the following criteria:

### **9.3.1. Highway, Interchange, and Regional Roadway Improvements**

- (a) The project is on the adopted Regional Transportation Network;
- (b) The project is scheduled for delivery within the time frame evaluated in the RTIF Technical Report; and,
- (c) The project involves a capacity improvement of one or more through travel or passing lanes, or auxiliary lanes (i.e. turn lanes). This criterion shall not be applied to interchange improvement projects.

### **9.3.2. Public Transit Improvements**

- (a) The project is scheduled for delivery within the time frame evaluated in the RTIF Technical Report; and,
- (b) The project involves an improvement to an existing or a new service/facility which connects at least two (2) or more cities or regions.

9.4. Inclusion in Regional Transportation Plan. Prior to receiving any RTIF Program Fee revenue a project must be identified in the SJCOG Board approved Regional Transportation Plan (RTP) and the RTIF Project List.

9.5. RTIF Project Management. Each City is responsible for managing and delivering RTIF interchange and regional roadway projects located within its incorporated boundaries, except as otherwise specifically agreed to by such city. The County is responsible for managing and delivering RTIF Projects located within the unincorporated area of the county, except as otherwise specifically agreed to by the County.

## **SECTION 10. CREDITS AND REIMBURSEMENTS**

10.1. Reimbursements and Credits. In the event that RTIF Capital Projects are constructed by a developer in excess of the Development Project's RTIF Program Fee obligation or in lieu of payment of RTIF Program Fees by a developer pursuant to an agreement between the developer and the Participating Agency, the developer may be reimbursed or credited for future application for any costs based on the actual costs of construction of the RTIF Capital Project incurred by the developer in excess of the amount the RTIF Program Fees that apply to the Development Project. Reimbursements shall be enacted pursuant to an agreement between the developer and the Participating Agency contingent on payment of funds when available for reimbursement to the developer. In all cases, however, reimbursements to developers pursuant to any agreement must be consistent with construction of the transportation improvements as scheduled in the RTIF Capital Projects Report.

## **SECTION 11. EXISTING REGIONAL TRANSPORTATION FEES**

11.1. Each Participating Agency shall evaluate and adjust, if necessary, its existing local fee program(s), if any, associated with regional traffic impacts to determine continued compliance with the Fee Mitigation Act due to the adoption of the RTIF Program.

## **SECTION 12. WITHDRAWAL**

12.1. For reasons pertaining to the lack of direct benefit, a Participating Agency may elect to withdraw from the RTIF Program upon providing one year written notice to SJCOG and each Participating Agency. If the Participating Agency has accrued RTIF Program Fee revenue, all funds plus interest earned shall be expended on RTIF Capital Projects by the Participating Agency or by any Participating Agency or SJCOG.

## **SECTION 13. MISCELLANEOUS**

13.1. Effective Date. This Agreement shall be effective and all Participating Agencies and SJCOG shall be authorized to proceed under this Operating Agreement at the date in which this Agreement has been executed by the San Joaquin County Board of Supervisors, the City Councils of each of the Cities, and SJCOG.

13.2. Partial Invalidity. If any one or more of the terms or provisions of this Agreement shall be adjudged invalid, unenforceable, void or voidable by a court of competent jurisdiction,

each and all of the remaining terms and provisions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

13.3. Amendments. Any amendments to this Agreement shall be made by the SJCOG and all Participating Agencies.

13.4. Enforcement. It shall be the responsibility of the Participating Agencies and SJCOG to adopt, implement, and maintain the RTIF Program consistent with the terms of this Agreement.

13.5. Execution. The Board of Supervisors of the County of San Joaquin, the City Councils of the Cities, and the Board of Directors of SJCOG have each authorized execution of this Agreement as evidence by the authorized signatures below.

13.6. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

<u>PARTY</u>		<u>DATE OF APPROVAL</u>
<b>Board of Supervisors, County of San Joaquin</b>		
By		
Chair		Date
Attest:		
Clerk of the Board		
<b>City Council, City of Escalon</b>		
By		
Mayor		Date
Attest:		
City Clerk		

<b>City Council, City of Lathrop</b>		
By		
Mayor		Date
Attest:		
City Clerk		
<b>City Council, City of Lodi</b>		
By		
Mayor		Date
Attest:		
City Clerk		
<b>City Council, City of Manteca</b>		
By		
Mayor		Date
Attest:		
City Clerk		
<b>City Council, City of Ripon</b>		
By		
Mayor		Date
Attest:		
City Clerk		

<b>City Council, City of Stockton</b>		
By		
Mayor		Date
Attest:		
City Clerk		
<b>City Council, City of Tracy</b>		
By		
Mayor		Date
Attest:		
City Clerk		
<b>San Joaquin Council of Governments</b>		
By		
Board Chair		Date
Attest:		
Interim Executive Director		

## **EXHIBIT A**

### **RTIF LAND USE FEE CATEGORY SUMMARY**

#### **RESIDENTIAL**

##### **Single-Family Dwelling**

A single family dwelling is defined as a residence designed for or occupied exclusively as a residence for one family; including a vacation home or seasonal dwelling and is located on one parcel.

##### **Multi-Family Dwelling**

Multi-family dwellings are defined as single structures designed for and/or constructed to contain two (2) or more dwelling units which share common walls (i.e., rowhouse, townhouse, duplex, triplex, quadraplex, condominium, apartment complex). When an existing single-family dwelling is converted into two (2) or more dwellings, it will be reclassified and subject to the multi-family dwelling regional fee. As a planned development containing two (2) or more residences, mobile homes parks are considered multi-family dwellings. A “commercial apartment” dwelling located within a commercial building is classified as a multi-family dwelling.

#### **NON-RESIDENTIAL**

Relationship of businesses to RTIF non-residential land use categories are based on the North American Industry Classification System (NAICS)

##### **Retail**

Sector comprises establishments engaged in retailing merchandise, generally without transformation and rendering services incidental to the sale of merchandise—fixed point of sale location. NAICS Sectors 44 & 45 represents the retail industry. Examples of retail businesses include:

- Garden material and garden supply dealers
- Food and beverage stores (i.e., grocery stores, specialty food stores, beer/wine/liquor stores)
- Health and personal care stores
- Gasoline stations
- Motor vehicle and parts dealers
- Furniture and home furnishing stores
- Electronics and appliance stores
- Clothing and clothing accessories stores

- Sporting goods, hobby, book and music stores
- General merchandise stores
- Miscellaneous store retailers
- Non-store retailers such as electronic shopping and mail-order houses, direct selling establishments

## **Office/Service**

Sector comprises finance, insurance, real estate professional, scientific and technical services, research and development, administrative & support services, education, health care and social assistance and other such as repair & maintenance, personal & laundry, and religious centers, including churches. NAICS Sectors 51 – 72, 81 & 92 represents the office industry. Examples of office related businesses include:

- Publishing industries, except Internet
- Motion picture and sound recording industries
- Broadcasting, except Internet
- Internet publishing and broadcasting
- Telecommunications
- Internet Service Providers, search portals, and data processing
- Other information services such as libraries and archives, news syndicates
- Monetary authorities such as banks, credit unions, credit card issuing services, sales financing, mortgage and non-mortgage loan brokers
- Securities, commodity contracts, investments
- Insurance carriers and related activities
- Funds, trusts, and other financial vehicles
- Real estate
- Rental and leasing activities
- Lessors of non-financial intangible assets
- Professional and technical services such as legal, accounting, engineering, design, consulting, research and development, advertising services
- Management of companies and enterprises
- Administrative and support services such as employment, business support (i.e., call centers, collection agencies), travel arrangement and reservation services, services to buildings and dwellings (i.e., janitorial, landscaping, pest control, carpet cleaning)
- Waste management and remediation services
- Educational services
- Health care and social assistance
- Hospitals
- Nursing and residential care facilities
- Social assistance (i.e., child/youth services, services for the elderly and persons with disabilities, shelters, food banks, vocational rehabilitation services, day care)
- Art, entertainment, and recreation
- Museums, historical sites, zoos, and parks
- Amusements, gambling, and recreation

- Accommodation and food services (i.e., traveler accommodations such as hotels and motels, bed-and breakfast inns, RV parks, rooming and boarding houses)
- Food services and drinking places (i.e., caterers, mobile food services, drinking places of alcoholic beverages, and full service restaurants)

## **Industrial**

RTIF land use category of industrial includes **Manufacturing** establishments engaged in the mechanical, physical, or chemical transformation of components into products to include construction engaged in buildings and other structures. The industrial land use category also includes **Transportation, Logistics, and Warehousing** establishments engaged in wholesaling merchandise, generally without transformation and rendering services incidental to the sale of merchandise including industries providing transportation of passengers and cargo, warehousing and storage of goods, scenic and sightseeing transportation. The NAICS Sectors 21, 22, 23, 31 through 33, 42, 48 & 49 represents the industrial land use category. Examples of industrial related businesses include:

- Mining
- Support activities for mining
- Utilities (i.e., power generation and supply, natural gas distribution, water treatment plants)
- Construction of buildings
- Heavy and civil engineering construction
- Specialty trade contractors such as roofing, sheet rock, framing contractors
- Building and equipment contractors
- Building finishing contractors
- Other specialty trades such as residential and non-residential site preparations
- Food manufacturing (i.e., animal, flour, rice, breakfast cereal, dairy products, bakeries, nuts)
- Beverage and tobacco product manufacturing
- Textile and textile product mills
- Apparel manufacturing
- Leather and applied product manufacturing
- Wood product manufacturing
- Paper Manufacturing
- Printing and related support activities
- Petroleum and coal products manufacturing
- Chemical manufacturing
- Plastics and rubber products manufacturing
- Nonmetallic mineral product manufacturing (i.e., glass, cement & concrete, clay, lime/gypsum)
- Primary metal manufacturing
- Fabricated metal product manufacturing
- Machinery manufacturing
- Computer and electronic product manufacturing



- Electrical equipment and appliance manufacturing
- Transportation equipment manufacturing
- Furniture and related product manufacturing
- Miscellaneous manufacturing (i.e., medical equipment, jewelry, sporting goods, signage)
- Merchant wholesalers of durable and non-durable goods (i.e., motor vehicles and parts, furniture, lumber, paper, clothing, petroleum bulk stations and terminals)
- Electronic markets and agents and brokers
- Air, rail, water, truck, pipeline, scenic/sight seeing transportation
- Transit and ground passenger transportation
- Support activities for transportation
- Postal services
- Couriers and messengers
- Warehousing and storage

## RESOLUTION

### ESTABLISHING THE SAN JOAQUIN COUNTY REGIONAL TRANSPORTATION IMPACT PROGRAM FEES

WHEREAS, the [insert jurisdiction] as adopted the San Joaquin County Regional Transportation Impact Fee Program Ordinance, the RTIF Technical Report, and the Regional Transportation Impact Fee Program Operating Agreement;

NOW THEREFORE the City Council [Board of Supervisors] establishes the following fees to be collected by the City of \_\_\_\_\_ [County of San Joaquin] for the RTIF Program pursuant to the San Joaquin County Regional Transportation Impact Fee Program Ordinance and the RTIF Technical Report.

The rate of the fee applicable to any particular Development Project shall be as follows:

- (a). \$2,500 for each Single-Family Residential Unit
- (b). \$1,500 for each Multi-Family Residential Unit
- (c). \$1.00 for each square foot of a Retail Project
- (d). \$1.25 for each square foot of a Office Project
- (e). \$0.75 for each square foot of a Industrial Project

The fees shall be collected, administered and adjusted consistent with the San Joaquin County Regional Transportation Impact Fee Program Ordinance, the RTIF Technical Report, and the Regional Transportation Impact Fee Program Operating Agreement.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2003, by the following vote of the Board of Supervisors [City Council]:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_, Chair of the Board of  
Supervisors of the County of San Joaquin, State  
of California [Mayor of the City of  
\_\_\_\_\_]

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Clerk

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI  
AMENDING TITLE 15, "BUILDINGS AND CONSTRUCTION," OF THE  
LODI MUNICIPAL CODE BY ADDING CHAPTER 15.65 RELATING TO  
THE ESTABLISHMENT OF THE SAN JOAQUIN COUNTY REGIONAL  
TRANSPORTATION IMPACT FEE PROGRAM

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Title 15, Buildings and Construction," of the Lodi Municipal Code is hereby amended by adding thereto Chapter 15.65 relating to the establishment of the San Joaquin County Regional Transportation Impact Fee Program, and shall read as follows:

CHAPTER 15.65

SAN JOAQUIN COUNTY REGIONAL TRANSPORTATION IMPACT FEE

SECTIONS:

- 15.65.010 Purpose, Findings and Declaration of Intent
- 15.65.020 Definitions
- 15.65.030 Authority for Adoption
- 15.65.040 Collection of RTIF Program Fees
- 15.65.050 Fee Rate and Calculation
- 15.65.060 Administration of the RTIF Program
- 15.65.070 Existing City of Lodi Development Impact Mitigation Fee Program

- 15.65.010 Purpose, Findings and Declaration of Intent

- A. In order to implement the goals and objectives of the general plan and to mitigate impacts caused by new development with the County of San Joaquin, a Regional Transportation Impact Fee Program is necessary. The program is needed to finance regional-serving transportation and transit improvements.
- B. Substantial population and employment growth is expected in San Joaquin County through 2025 and beyond. This growth will cause impacts on the Regional Transportation Network ("Regional Transportation Network" or "RTIF Network") including increased congestion and related impacts unless substantial improvements are completed. The Regional Transportation Impact Fee Program ("RTIF Program") is intended to impose a fee to provide funding for transportation and transit improvements that help mitigate these impacts.
- C. New development throughout the County will be subject to the fee which will be proportional to the impact caused on the Regional Transportation Network by such new development.
- D. The funding derived from the RTIF Program shall be used in combination with other funding available to complete the needed transportation and transit improvements. In the absence of an RTIF Program, existing funding sources, including federal, State, and local sources, will be inadequate to construct the Regional Transportation Network required to avoid the unacceptable levels of traffic congestion and related adverse impacts.

15.65.020 Definitions

- A. "Development Project" or "Project" means any project undertaken for the purpose of development including the issuance of a permit for construction or reconstruction, but not a permit to operate.
- B. "Industrial Project" means any Development Project that proposes manufacturing, transportation, logistics or warehousing as identified in the RTIF Land Use Fee Category Summary.
- C. "Measure K" means the San Joaquin County Transportation Authority Local Transportation Improvement Plan: Air Quality, Mandatory Developer Fees and Growth Management Ordinance which establishes and implements a retail transactions and use tax, as may be extended from time to time.
- D. "Multi-Family Residential Unit" means a Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments as identified in the RTIF Land Use Fee Category Summary.
- E. "Office Project" means any Development Project that involves business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal and laundry services, or similar uses, and religious centers as identified in the RTIF Land Use Fee Category Summary.
- F. "Participating Agencies" means the County of San Joaquin and each of the cities situated in San Joaquin County if such agencies have (1) adopted the RTIF Program Fee by ordinance and/or resolution and (2) entered into the Operating Agreement.
- G. "Regional Transportation Impact Fee Program" or "RTIF Program" is the regional program established by the Operating Agreement by the Participating Agencies and SJCOG to impose, collect and distribute a RTIF Program Fee to assist in the funding of transportation improvements to the Regional Transportation Network.
- H. "Regional Transportation Impact Program Fee" or "RTIF Program Fee" or "RTIF Fee" means the fee established by each Participating Agency consistent with the RTIF Program and the Operating Agreement.
- I. "Regional Transportation Network" means the regional network of highways and arterials as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG.
- J. "RTIF Capital Projects" or "Capital Projects" or "RTIF Project List" is the RTIF Program improvements and projects as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG's adoption and amendment of a "RTIF Capital Projects Report."
- K. "RTIF Capital Projects Report" means the report adopted by SJCOG annually which identifies the RTIF Capital Projects as amended from time to time by SJCOG.
- L. "RTIF Operating Agreement" or "Operating Agreement" is the Regional Transportation Impact Fee Program Operating Agreement establishing the administration of the RTIF Program as adopted by each Participating Agencies and SJCOG which may be amended from time to time by the parties thereto.

- M. "RTIF Technical Report" means the San Joaquin County Regional Transportation Impact Fee RTIF Technical Report dated October 27, 2005, and prepared pursuant to California Government Code, Section 66000 et seq., the Mitigation Fee Act.
- N. "Residential Dwelling Unit" means a building or portion thereof which is designed primarily for residential occupancy by one family including single-family and multi-family dwellings. "Residential Dwelling Unit" shall not include hotels or motels.
- O. "Retail Project" means any Development Project that retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise at a fixed point of sale as identified in the RTIF Land Use Fee Category Summary.
- P. "Single-Family Residential Unit" means the use of a parcel for only one residential dwelling unit as identified in the RTIF Land Use Fee Category Summary.

15.65.030 Authority for Adoption

This chapter is adopted under the authority of Title 7, Division 1, Chapter 5 of the California Government Code Sections 66000 et seq. (Ord. 1758 § 1 (part), 2005).

15.65.040 Collection of RTIF Program Fees

- A. Authority of the Public Works Director. The Public Works Director, or his/her designee, is hereby authorized to levy and collect the RTIF Program Fee and make all determinations required by this Ordinance.
- B. Payment of RTIF Program Fees. Payment of the RTIF Program Fees shall be as follows:
  - 1. The RTIF Program Fees shall be paid at the time of issuance of a building permit for the Development Project, or as otherwise required or permitted pursuant to Government Code section 66007.
  - 2. The amount of the RTIF Program Fees shall be the fee amounts in effect at the time of payment.
  - 3. RTIF Program Fees shall not be waived.
- C. Payment by all Development Projects. Except as otherwise expressly provided by this Ordinance, the RTIF Program Fee required hereunder shall be payable by:
  - 1. All Development Projects within the City for which building permits or other entitlements for Development Projects are issued on or after the effective date of this Ordinance, and
  - 2. All Development Projects within the City for which building permits or other entitlements for Development Projects were issued prior to the effective date of this Ordinance and which permits or entitlements were issued subject to a condition requiring the developer to pay a RTIF Program Fee to be imposed upon such Development Project within the City.

D. Exemptions from the RTIF Program Fee. The following Development Projects shall not be subject to the RTIF Program Fee:

1. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing legal dwelling unit, including an expansion of an existing dwelling unit that does not create an additional dwelling unit.
2. The rehabilitation and/or reconstruction of any non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.
3. Development Projects for which an application for a vesting tentative map authorized by Government Code Section 66498.1 was deemed complete on or prior to the effective date of the introduction of this Ordinance.
4. Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq. prior to the effective date of the adoption of this Ordinance, wherein the imposition of new fees are expressly prohibited by the development agreement, provided, however, that if the term of such a development agreement is extended after the effective date of this Ordinance, the RTIF Program Fee shall be imposed.

E. Future Development Agreements. All future development agreements entered into after the effective date of this Ordinance shall require the full payment of the RTIF Program Fee.

1. Payments for non-residential projects. For non-residential projects the amount of the fee imposed on the entire Development Project shall be determined based upon:
  - (a) The gross floor area; and
  - (b) The predominant use of the building or structure as identified in the building permit.
2. Payment for mixed use projects. For mixed land use projects, which are projects that have both residential and non-residential uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the following:
  - (a) The fee associated with the type of residence; and,
  - (b) The predominant use of the non-residential portion of the project.

F. Previously Paid RTIF Program Fees. In the event that RTIF Program Fees have previously been paid for an existing building which is a new Development Project with a new or different RTIF Fee category, the previously paid RTIF Program Fees for that existing building shall be credited against the amount of the RTIF Program Fee attributable to the new Development Project, up to the amount of the previously paid RTIF Program Fee. A rebate will not be granted if the change in land use represents a lower fee.

G. Reimbursements and Credits. In the event that RTIF Capital Projects are constructed by a developer in excess of the Development Project's RTIF Program Fee obligation or in lieu of

payment of RTIF Program Fees by a developer pursuant to an agreement between the developer and the City, the developer may be reimbursed or credited for future application for any costs based on the actual costs of construction of the RTIF Capital Project incurred by the developer in excess of the amount the RTIF Program Fees that apply to the Development Project.

#### 15.65.050 Fee Rate and Calculation

- A. Establishing the RTIF program fee. The amount of the RTIF program fee for development projects shall be consistent with the provisions of this ordinance and the RTIF technical report and shall be established by a resolution of the City Council.
- B. Annual adjustment. The RTIF Program Fee shall be automatically adjusted on an annual basis at the beginning of each fiscal year (July 1) based on the Engineering News Record 20 Cities Construction Cost Index.

#### 15.65.060 Administration of the RTIF Program

- A. RTIF account or RTIF funds. All fees collected pursuant to the RTIF Program Fee shall be deposited in a RTIF account or RTIF fund and shall not be commingled with other funds. The contents of this RTIF fund shall be designated solely for the purpose of contributing to the financing of the RTIF Capital Projects included in the RTIF Capital Projects Report and for the funding of incidental administrative costs. Any interest income earned on the RTIF fund shall also be deposited therein and shall only be expended for the purposes as set forth in this Ordinance.
- B. Prohibition on Interfund Transfers or Loans. Notwithstanding subsection (b)(1)(G) of section 66006 of the Government Code there shall be no interfund transfer, grant or loan of the RTIF Program Fees or RTIF fund or RTIF account to other City accounts, funds, programs or fees. However, the City may provide loans, grants or transfers of RTIF Program Fees to other Participating Agencies or SJCOG provided that such funds are consistent with the RTIF Program and used for the development or construction of RTIF Capital Projects.

#### 15.65.070 Existing City of Lodi Development Impact Mitigation Fee Program

- A. The City of Lodi Development Impact Mitigation Fee program pursuant to Municipal Code Title 15 Chapter 15.64 shall be adjusted on any future projects that are identified in the approved RTIF Project List to ensure continued compliance with the Fee Mitigation Act (Gov. Code §§ 66000 et seq.).

Section 2 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3 - Severability. If any one or more of the terms, provisions or sections of this Ordinance shall to any extent be judged invalid, unenforceable and/or avoidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

Section 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

Section 5. This ordinance shall be published one time in the "Lodi News-Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi with the names of the members voting for and against same, and shall be in force and take effect thirty days from and after its passage and approval.

Approved this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
SUSAN HITCHCOCK  
Mayor

Attest:

SUSAN J. BLACKSTON  
City Clerk

State of California  
County of San Joaquin, ss.

I, Susan J. Blackston, City Clerk of the City of Lodi, do hereby certify that Ordinance No. \_\_\_\_ was introduced at a regular meeting of the City Council of the City of Lodi held December 21, 2005, and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held \_\_\_\_\_, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. \_\_\_\_ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

SUSAN J. BLACKSTON  
City Clerk

Approved as to Form:

D. STEPHEN SCHWABAUER  
City Attorney



**CITY OF LODI  
COUNCIL COMMUNICATION**

TM

**AGENDA TITLE:** Adopt Resolution Eliminating Early Lock-in Date for Development Impact Fees Established in Resolution 2004-238 and Establishing that Development Impact Fees established by Resolution 2004-238 will not be locked in until the time required by California Law

**MEETING DATE:** December 21, 2005 City Council Meeting

**PREPARED BY:** City Attorney's Office

---

**RECOMMENDED ACTION:** Adopt Resolution eliminating early lock-in of Development Impact Fees.

**BACKGROUND INFORMATION:** California law allows cities to collect new impact fees or increased impact fees at any time until the development has acquired a vested right to develop under existing standards. That right does not vest until the developer has performed substantial work and incurred substantial liabilities in good faith reliance on a permit issued by regulatory authorities. (*Avco Community Developers v. South Coast Regional Commission* 17 Cal 3d 785 (1976)). Despite this limit, Lodi's 2004 impact fee adjustment allows developers to in some instances, lock their fees in earlier than the timeline required by Avco. That allowance exposes the impact fee programs to increases in costs that accrue during the period between the time the fees are paid and the time the impact fee program improvements are constructed. Those increases must of necessity come from some other City fund, instead of the development that spurred the need for the impact fee program. Accordingly, staff recommends that Council amend Resolution 2004-238 to provide that the fee increases established in Resolution 2004-238 are not locked in until the latest date allowed by California Law.

**FISCAL IMPACT:** Increase to IMF funds

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D. Stephen Schwabauer  
City Attorney

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APPROVED:

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Blair King, City Manager

RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL  
RESCINDING AND REPLACING CERTAIN  
LANGUAGE IN RESOLUTION NO. 2004-238  
RELATING TO IMPACT FEE INCREASE

=====

WHEREAS, the City Council adopted Resolution No. 2004-238 on November 3, 2004 amending the fees for Storm Drainage, Streets and Roads, and Parks and Recreation; and

WHEREAS, Resolution No. 2004-238 established certain exemptions for projects from the increase in fees established therein. The exemptions were in excess of those required by California law; and

WHEREAS, the City Council desires to ensure that the City of Lodi collects increased costs for the programs funded by Development Impact Fees that arise when a project begins construction later than the date Resolution No. 2004-238 allows fees to lock in.

NOW THEREFORE, BE IT RESOLVED by the Lodi City Council that:

1. All text following the first sentence of Section 3 of Resolution 2004-238 is hereby rescinded as of the date of this Resolution and replaced with the following: The increased fees in "Resolution No. 2004-238 will not apply to any project which has satisfied all elements necessary under California Law to be exempt from increases in impact fees."

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS -

NOES: COUNCIL MEMBERS -

ABSENT: COUNCIL MEMBERS -

ABSTAIN: COUNCIL MEMBERS -

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



## **CITY OF LODI COUNCIL COMMUNICATION**

TM

**AGENDA TITLE:** Adopt Resolution Approving SBC Encroachment Permit Condition (Video Programming Limitation) for New Facilities Installations

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Management Analyst, City Manager's Office

---

**RECOMMENDED ACTION:** That the City Council adopt a resolution approving SBC Encroachment Permit Condition (Video Programming Limitation) for new facilities installations.

**BACKGROUND INFORMATION:** In November 2005, SBC announced that network lab and field trials are underway for Project Lightspeed, a program to deploy fiber optic service into residential areas. Construction of the network is planned to begin the first quarter of 2006. Local SBC representatives have provided to staff a cursory overview of the program. Lodi is expected to be included in the earliest phases of the program.

Project Lightspeed will allow SBC to provide services within the area served using internet protocol. The video capabilities of this program may conflict with existing and future cable franchises with the City.

It is recommended that the following language be included as a condition on all future SBC encroachment permits issued for facilities installation:

"By accepting this permit, SBC agrees on behalf of itself and its affiliates and assigns that it will not provide video programming (including but not limited to programming delivered using internet protocol) over its facilities located within the City's rights of way to subscribers within the City without first obtaining a cable franchise or an open video system franchise from the City."

**FISCAL IMPACT:** The City of Lodi estimates revenues of \$233,000 from its cable franchise fee of three percent for fiscal year 2005-06. The maximum rate allowed and most commonly negotiated is actually five percent, potentially contributing more than \$388,000 annually pending successful negotiations during the upcoming cable franchise renewal. SBC claims that it is not providing cable services and therefore not subject to paying franchise fees but the provision of video services has the potential to impact services currently provided by Cable Access Television (CATV). The intent of this proposed limitation is to stop the erosion of revenues from franchise fees and avoid possible litigation from our current CATV franchise holder.

**FUNDING AVAILABLE:** Not applicable.

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Janet L. Hamilton  
Management Analyst

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APPROVED: \_\_\_\_\_  
Blair King, City Manager

RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL  
APPROVING SBC ENCROACHMENT PERMIT  
CONDITION (VIDEO PROGRAMMING LIMITATION) FOR  
NEW FACILITIES INSTALLATIONS

=====

WHEREAS, in November 2005, SBC announced that network lab and field trials are underway for "Project Lightspeed," a program to deploy fiber optic service to residential areas; and

WHEREAS, construction of the network is planned to begin the first quarter of 2006, with the City of Lodi expected to be in the earliest phases of the program; and

WHEREAS, Project Lightspeed will allow SBC to provide video services within the area served using internet protocol. The video capabilities of this program may conflict with existing and future cable franchises within the City of Lodi; and

WHEREAS, the intent of the limitation is to stop the erosion of revenues from franchise fees and avoid possible litigation from our current CATV franchise holder; and

WHEREAS, staff recommends that the City Council approve the inclusion of the following condition on all future SBC Encroachment Permits issued for facilities installation:

"By accepting this permit, SBC agrees on behalf of itself and its affiliates and assigns that it will not provide video programming (including but not limited to programming delivered using internet protocol) over its facilities located within the City's rights of way to subscribers within the City without first obtaining a cable franchise or an open video system franchise from the City."

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves the SBC Encroachment Permit Condition (Video Programming Limitation) for New Facilities Installations and its inclusion on all future SBC Encroachment Permits issued for facilities installation, as shown in the preceding paragraph.

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the Lodi City Council in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Adopt resolution authorizing the City Manager or his designee to execute a Project Development Agreement to fund due diligence assessments associated with the Resource 500 generation project (not to exceed \$61,875) (EUD)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Interim Electric Utility Director

---

**RECOMMENDED ACTION:** That the City Council adopt a resolution authorizing the City Manager or his/her designee to execute the Resource 500 Development Agreement with the Central Valley Project Corporation, or its assignee, in substantially the form on file with the City Clerk with such changes, insertions and omissions as may be approved by the official executing the Agreement and the City Attorney and authorize the City Manager and/or his designee to approve any changes in the Resource 500 Project Development Budget up to 10% without further consideration by the City Council.

**BACKGROUND INFORMATION:** ***Resource 500 Project***  
The Central Valley Project Corporation (CVP Corp)<sup>1</sup> is in final negotiations to purchase a 500 MW gas fired, combined cycle power plant located in Northern California. This plant has been built with the latest technology and was constructed only five years ago. This plant has an excellent heat rate (approximately 7000), which is the primary measure of plant efficiency, and preliminary due diligence indicates that the expected price of power from the plant will be very competitive with other options available in today's energy market in California. CVP Corp is offering to public power entities an opportunity to participate in the ownership of the plant through firm purchase power agreements and has provided summary materials to interested parties to determine if this project would be an appropriate addition to their resource portfolios.

Upon reviewing the materials and consideration of the current power needs of Lodi Electric, staff has concluded that this proposed project fits well into its electric resource portfolio. This plant will provide diversity of location and its efficiency will provide the City of Lodi with a resource that is more economic than building a substantially smaller plant locally or contracting with for-profit marketers for a similar type product.

### **Lodi Electric's Need**

Lodi Electric has a need for approximately 30 average megawatts of capacity in 2007, increasing to 38 average megawatts of capacity by 2013. This average value reflects the fact that in some months, Lodi

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<sup>1</sup> The CVP Corp is a non-profit corporation, incorporated in 2003, primarily to support programs and projects that benefit CVP customers and maximize the value of the Central Valley Project power Contracts. The CVP board currently consists of representatives from NCPA, SMUD and the city of Redding.

---

APPROVED: \_\_\_\_\_  
Blair King, City Manager

requires as little as 24 megawatts of capacity and in others, Lodi requires as much as 50 megawatts of capacity. Attachments 1 and 2 depict this need graphically and in tabular format.

There are two projects that are currently under consideration that Lodi has an opportunity to participate in to fulfill its 30 average megawatt need. The first project is the resource 500 project which is the subject of this communication and the second project is the Lodi White Slough Project. Details and participation agreements associated with the White Slough project will be brought to the City Council for approval in subsequent meetings.

A diagram depicting the options and costs of the various alternatives available to Lodi is attached as Attachment 3. This diagram helps to break down some of the decisions, costs and options that are available to potential plant participants as they consider which projects to participate in. The Resource 500 project is approximately represented by the FRAME 2x1 project depicted in Attachment 3. Participation in both projects will diversify Lodi's investments, allowing Lodi to spread plant risk between the two plants such that a catastrophic failure or maintenance outages would not subject Lodi's portfolio to dramatic price swings associated with a large portion of the portfolio being invested in a single plant.

Staff has requested a preliminary non-binding participation level of 25 MW in the Resource 500 project in the event Council wanted to participate in this project at this higher level, but recommends that City Council approve a binding participation level in the Resource 500 Project for a share of up to 15 MW.

#### ***Development Agreement and Confidentiality Agreement with CVP Corp***

Further due diligence work on the project by an independent engineering firm, negotiation of final terms of the agreement with the seller, and preparation of project agreements must be funded by all of the interested project participants under a Project Development Agreement. In order to participate in this project, Lodi will be required to pay for its proportionate share of these Development Work costs and sign a Project Development Agreement and associated Confidentiality Agreement with CVP Corp.

The Project Development Agreement:

- Defines the scope of the development work and establishes the budget for the work;
- Forms a Development Committee to make recommendations about the project budget, timeline and project agreements to the CVP Corp Board; and
- Outlines the process by which each participant will determine whether to participate in the project.

Costs for the Development Work will not exceed \$3,750 per MW. Total cost to Lodi based on a maximum participation level of 15 MW will be \$56,250.

#### ***Project Timeline and Power Sales Agreement***

The negotiations for purchase of the project are expected to take approximately four months, at which time a final decision to participate in the project will be made by each of the Project Development Participants. Final participation will require execution of a long-term Power Sales Agreement which will be brought back to the City Council after due diligence work under the Development Agreement and final negotiations with the seller are completed. To assist in the financing process, this project is expected to be transferred to a joint powers agency, the Sierra Nevada Electric Power Authority (SNEPA). Therefore, the final Power Sales Agreement (PSA) will be executed with SNEPA. This agreement is a 30-year take-or-pay contract and will be used as the basis for obtaining funding to purchase the project. City Council approval of the Power Sales Agreement is expected in first quarter 2006. It is expected that the financing process will take several months after PSA's are signed, and the current timeline anticipates that project

ownership will be transferred by June 2006 at which time energy will be available for each Resource 500 Project Participant.

**FISCAL IMPACT:** Lodi's share of the proposed Project Development Work costs for the Resource 500 Project should not exceed \$56,250. Adequate funds are available in the 2005-06 operating budget in account number 160642.

Upon purchase of the project, capital costs may be financed through the Sierra Nevada Electric Power Authority, a joint action agency formed specifically to finance this project and secured by a take or pay Power Sales Agreement, paid with cash on hand in the Utility Reserves or be financed with the issuance of Electric Revenue bonds by Lodi. Final recommendation as to the financing method will be brought to the City Council in conjunction with the PSA mentioned above.

**FUNDING:** 2005-06 Bulk Power Budget 160642

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James R. Krueger, Finance Director

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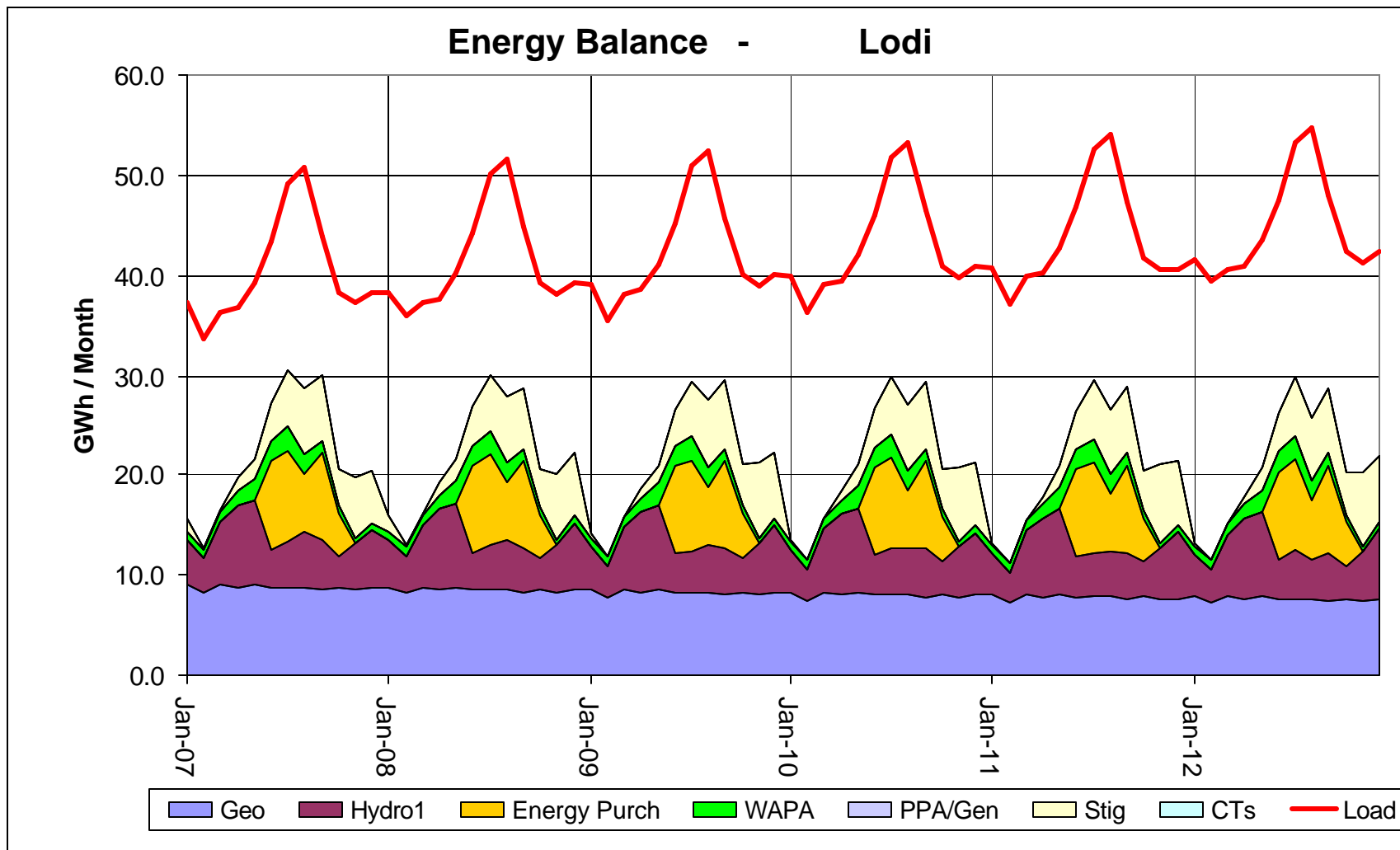
David Dockham  
Interim Electric Utility Director

DD/lst

Attachments

cc: City Attorney

# Attachment 1A





# Attachment 1B

## Supply Sources

**Lodi**

### Supply Sources - GWH

Sum of Value	Year						
Child Name	2007	2008	2009	2010	2011	2012	2013
CT1_AL1							
CT1_AL2							
CT1_LD							
CT1_RO1			0.0			0.0	
CT1_RO2			0.0			0.0	
STIG	42.6	44.2	44.2	44.2	44.1	44.2	44.2
Geo	105.0	102.2	98.9	96.0	93.1	91.1	88.4
Collierville Gen	60.9	61.1	60.9	60.9	60.9	61.1	60.9
NSM Gen	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Western BR	16.4	16.4	16.4	16.4	16.4	16.4	16.4
SCL_Supply	36.6	36.6	36.6	36.6	36.6	36.6	36.6
Grand Total	285.1	262.3	258.9	255.9	252.9	251.2	248.4

# Attachment 2A

## Need Summary

Physical and Green Energy Need Summary		aMW						
		2007	2008	2009	2010	2011	2012	2013
Lodi	Green	0	0	0	0	0	0	0
	Physical	30.9	32.5	33.8	35.4	35.9	37.3	38.3
<p>Green = Renewable energy needed to get to 20% of Fcstd Enr Ld</p> <p>Physical = Annual energy need net of surplus and need, expressed as an average MW</p>								

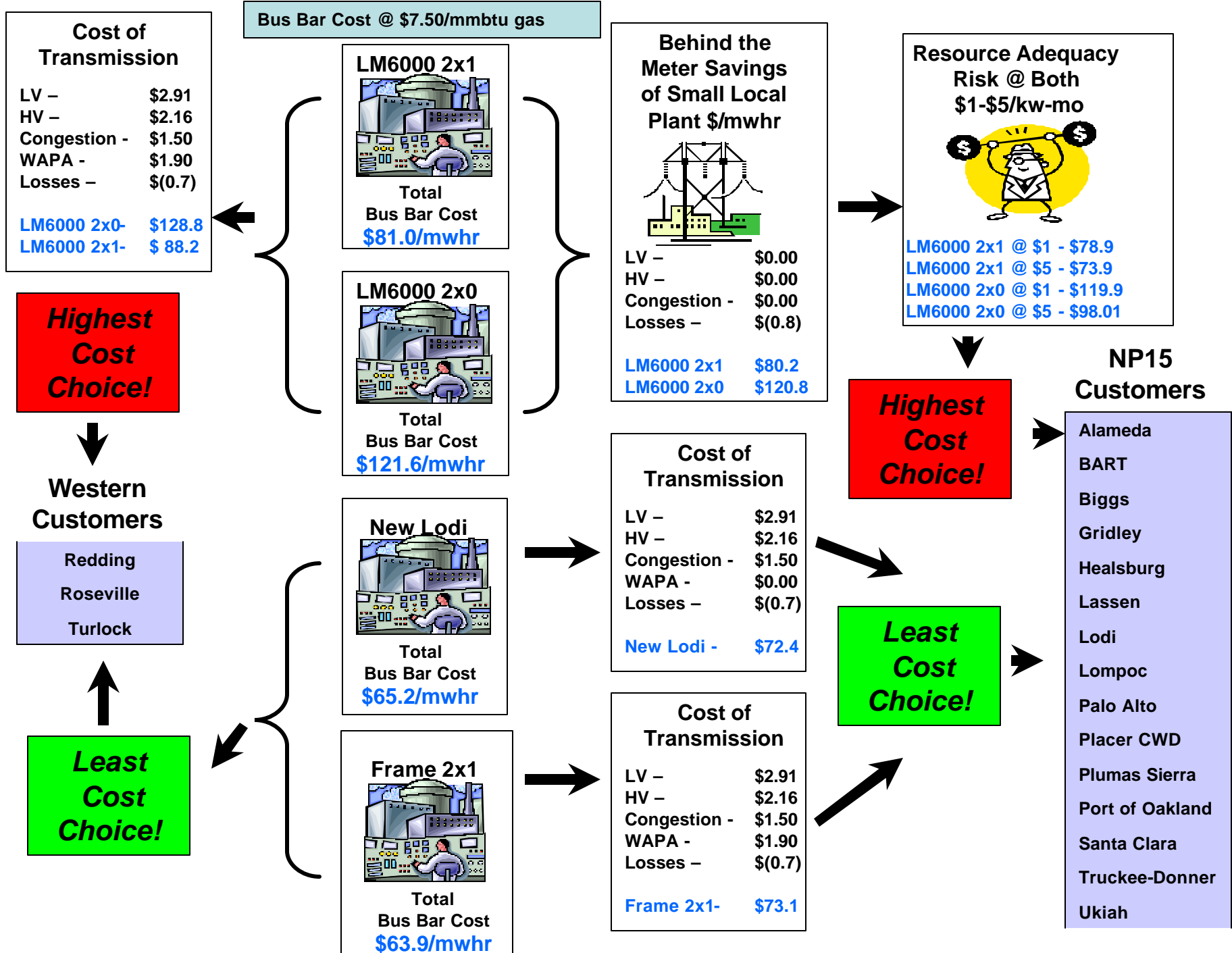
## Option Summary

	Timing	Fuel	Ht Rt	Size (MW)	Behind Ld Meter	Control System
Resource 500	2006	Natural Gas	7,000	500	No	WAPA
Lodi Unit #2	2009	Natural Gas	7,000	200	Possible	WAPA / ISO
NCPA Green Power Project	2006+	Renewable	NA	1 - 150	May Vary	May Vary
Los Esteros	2006	Natural Gas	10,000	90	Possible	ISO
Los Esteros (Converted)	2009	Natural Gas	8000	150	Possible	ISO

# Attachment 2B

Net Energy Balance Summary

2008	Q1	Q2	Q3	Q4
HLH - aMW	-43.36	-24.98	-23.94	-29.34
LLH - aMW	-44.44	-26.90	-31.27	-35.91
Pk - MW	3.93	1.60	-8.10	9.90
2010	Q1	Q2	Q3	Q4
HLH - aMW	-47.94	-28.14	-25.83	-31.48
LLH - aMW	-46.98	-29.85	-34.29	-38.61
Pk - MW	-1.00	-6.33	-13.83	5.03
2012	Q1	Q2	Q3	Q4
HLH - aMW	-49.76	-30.30	-30.04	-33.54
LLH - aMW	-48.68	-31.82	-34.74	-39.76
Pk - MW	-5.70	-10.73	-17.07	0.37



**AGREEMENT**  
**FOR**  
**FINANCING OF DEVELOPMENT ACTIVITIES FOR**  
**PURCHASE OF RESOURCE 500 PROJECT**

**Dated as of December \_\_\_\_, 2005**

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**AGREEMENT  
FOR  
FINANCING OF DEVELOPMENT ACTIVITIES FOR  
PURCHASE OF RESOURCE 500 PROJECT**

This Agreement, dated as of \_\_\_\_\_, 2005, by and among Central Valley Project Corporation, a California nonprofit public benefit corporation, ("CVP Corp"), and each of the entities which execute this Agreement (the "Development Participants" or individually "Development Participant"),

**WITNESS:**

WHEREAS, CVP Corp has the opportunity to purchase a 500 MW gas-fired power plant in Northern California, together with related facilities and equipment, commonly referred to as the Resource 500 Project (the "Project"); and

WHEREAS, the Development Participants have indicated a preliminary interest in possibly acquiring capacity and energy of the Project from CVP Corp, subject to the closing of the sale of the Project; and

WHEREAS, it is anticipated that CVP Corp will assign or transfer its rights and obligations with respect to the purchase of the Project and the Project agreements to a new joint powers agency of the State of California called Sierra Nevada Electric Power Authority ("SNEPA") prior to expiration of this Agreement; and

WHEREAS, upon such assignment references herein to CVP Corp shall refer to SNEPA; and

WHEREAS, the Development Participants have agreed to advance funds to CVP Corp in order to permit CVP Corp to undertake the due diligence and Project agreement preparation necessary to permit CVP Corp to purchase the Project (as more fully set forth in Section 3, the "Development Work"); and

WHEREAS, CVP Corp desires to undertake the Development Work, to make the information and documents produced by the Development Work available to the Development Participants, and to provide an option to each Development Participant not in default hereunder an opportunity to acquire right to the capacity and energy of the Project (subject to CVP Corp's acquisition of the Project), all on the terms and conditions set forth herein; and

WHEREAS, the current estimate of the cost of the Development Work is \$1,575,000; and

WHEREAS, the Development Participants desire to have access to the Development Work in order to determine whether to enter into an agreement to acquire a portion of the capacity and energy of the Project and obtain the right to subscribe to a portion of the capacity and energy of the Project if the Project is acquired by CVP Corp; and

WHEREAS, the subscription to a portion of the capacity and energy of the Project by a Development Participant will be accomplished by such Development

Participant entering into a “take-or-pay”, power sales agreement (a “Power Sales Agreement”) with CVP Corp, the terms of which will be developed as a Project agreement included in the Development Work; and

WHEREAS, to acquire the aforementioned access to information and documents and the right to subscribe to a portion of the capacity and energy of the Project, the Development Participants are willing to make cash advances as herein provided which advances will be used to pay the costs of the Development Work; and

WHEREAS, the advances of the Development Participants will be reimbursed only on the terms and conditions set forth in this Agreement;

NOW THEREFORE, the parties hereto agree as follows:

Section 1. Prior Development Work. (a) The Sacramento Municipal Utilities District (“SMUD”), the City of Redding Electric Utility (“Redding”) and the Northern California Power Agency (“NCPA”) have made advances to CVP Corp of \$100,000 to fund the initial study and due diligence costs related to the purchase of the Project. These entities shall be reimbursed for these advances in accordance with Section 9 of this Agreement.

(b) In addition, CVP Corp, SMUD, Redding and NCPA and the Development Participants may incur significant staff time in the performance of future Development Work in lieu of hiring outside consultants. Development Participants agree that reasonable staff costs associated with Development Work shall be reimbursed as provided in Section 9 of this Agreement. It is understood that these internal costs will not be reimbursed if CVP Corp does not complete the purchase of the Project for any reason, including but not limited to the inability to finance the cost of purchasing the Project. It is further understood by the Development Participants that the successful financing of CVP Corp’s purchase of the Project is dependent, in large part, upon credit worthy entities entering into the Power Sales Agreement for all of the capacity and energy of the Project.

(c) Development Work shall not include the activities of the Development Committee (as hereinafter defined) for which all Development Participants will incur internal staff costs. Such activities shall include, but not be limited to, review of Development Work and Development Work product, preparation and attendance at Development Committee meetings, and negotiations with other Development Participants.

Section 2. Confidentiality Agreement. Because of the sensitive nature of negotiations with the seller of the Project, each Development Participant shall, concurrently with its execution and delivery of this Agreement, deliver a Confidentiality Agreement in the form of Exhibit A attached hereto.

Section 3. Development Work. CVP Corp agrees to undertake and perform the Development Work, to take into consideration the recommendations of the Development Committee with respect to the Development Work and to make all reports,



recommendations and information resulting from the Development Work available to the Development Committee for distribution to the Development Participants.

The Development Work to be undertaken by the CVP Corp pursuant to this Agreement shall include all activities determined to be necessary or desirable by CVP Corp in connection with the performance of due diligence for the purchase of the Project and the preparation of Project agreements including the form of the Power Sales Agreement and the contract of purchase for the Project (the "Purchase Agreement"). The initial Development Work budget and schedule set forth in Exhibits B and C of this Agreement are examples of the types of activities contemplated as Development Work. These activities may be modified or revised from time to time by CVP Corp after consideration of any recommendations made by the Development Committee and are provided as examples only. Without limiting the generality of the foregoing, the Development Work shall include:

1. previous activities for due diligence and other studies or activities expended by parties specified in Section 1 of this Agreement,
2. all activities necessary or advisable to maintain milestone completion dates, including incurring costs to facilitate the timely purchase of the Project and related rights and services,
3. the development of a definitive budget and schedule for the purchase of the Project,
4. the development of a definitive budget and schedule for the initial operation of the Project after acquisition by CVP Corp, including working capital, fuel requirements and reserves,
5. obtaining necessary permits and approvals for the purchase and operation of the Project,
6. performance of engineering due diligence reviews related to the Project,
7. the preparation and negotiation of definitive Project agreements, including the Power Sales Agreement and the Purchase Agreement,
8. legal, financial advisory and tax support services, including bond counsel consultation,
9. administrative support, fiscal management, invoicing and related services necessary or desirable in connection with this Agreement and the Development Work and
10. the performance of all other activities related to the acquisition, permitting, operation and financing of the Project as determined by CVP Corp which are consistent with the intent of this Agreement.

Performance of the above activities may be conducted by Development Participant internal staff, outside consultants or others. It is expected that reasonable internal staff work expended on Development Work that could be performed by an outside consultant will be accumulated and billed to the Project, along with applicable overheads. These costs are subject to reimbursement only as provided in Section 9.

Section 4. Organization of the Development Committee. In order to permit the Development Participants to make recommendations to CVP Corp with respect to the scope, performance, management and direction of the Development Work, and to secure the effective cooperation and interchange of information among the Development Participants in connection with various administrative, technical, legal, contractual and other matters that may arise from time to time in connection with the Development Work, a committee of Development Participants (the "Development Committee") is hereby established under this Agreement. The Development Committee shall consist of representatives appointed by the Development Participants as provided in Section 4.1.

Section 4.1 Participation Entitlements; Representatives; Chair. (a) One purpose of this Agreement is to provide each Development Participant the option, at its election and in its sole discretion, to participate in the Project by executing a Power Sales Agreement with SNEPA pursuant to which the Development Participant will be entitled to a portion of the capacity and energy of the Project if CVP Corp is successful in acquiring the Project. For purposes of this Agreement, a Development Participant's participation in the Project will consist of its Participation Entitlement (as defined below) and any additional participation which the Development Participant elects to include in a Power Sales Agreement (or a supplement thereto) as a result of other Development Participants not electing to participate in the Project or electing to participate at less than the full amount of their Participation Entitlement.

Each Development Participant's Participation Entitlement may be expressed as a percentage (the "Participation Entitlement Percentage") of one hundred percent and/or a number of megawatts of capacity of the Project. A Development Participant's Participation Entitlement Percentage shall equal that percentage which its commitment (which is not in default) to make cash advances to the Working Capital Fund (as hereinafter defined), exclusive of any interest paid on delinquent advances, bears to the sum of the budget for Development Work (the "Development Work Budget") which is currently set at \$1,575,000. A Development Participant's participation in the Project expressed in megawatts shall be the Development Participant's Participation Entitlement Percentage times five hundred twenty-five (525) megawatts ("Participation Entitlement"). The Development Participants acknowledge that neither CVP Corp nor SNEPA is guaranteeing any level of performance or output from the Project and that the Power Sales Agreement will provide that each entity executing the Power Sales Agreement will be entitled to a percentage of the actual output of the Project and not a specific number of megawatts of capacity or megawatt hours of energy.

(b) Each Development Participant with 20 MW or more of Participation Entitlement shall appoint one representative to the Development

Committee and shall designate such representative within 10 days after its execution and delivery of this Agreement by giving notice to the Chair of the Development Committee (as defined below) of such designation. Development Participants with less than 20 MW of Participation Entitlement may aggregate their Participation Entitlements and appoint one representative for the total aggregated amount of Participation Entitlement, with a minimum Participation Entitlement of 20 MW. The Chair shall be responsible for distribution of representative information to all Development Committee members. Each Development Participant (or aggregated Development Participants of at least 20 MWs) may also designate an alternate to act as its representative in the absence of the regular representative, and such notice shall be given in the same manner as for the regular representative.

(c) The Development Committee shall be chaired by a representative of CVP Corp (the "Chair") and while the Chair may participate, he/she will have no voting rights on the Development Committee. The Chair shall be responsible for calling and presiding over all regular and special meetings of the Development Committee and shall cause minutes of all meetings of the Development Committee to be kept. Such records shall be available upon request by any Development Participant.

Section 4.2 Meeting Schedules. Due to the expected short time frame for the acquisition of the Project by CVP Corp, no specific meeting schedules shall be established for the Development Committee. The Development Committee will meet on an as needed basis in order for the Development Work to proceed on the expected timeframe. The Development Committee may meet in any location and may hold meetings in person or via conference call as necessary.

Section 4.3 Quorum Defined. The presence of either a majority of the representatives of the Development Committee, or of Development Committee representatives then having a combined Participation Entitlement Percentage of at least 65% shall constitute a quorum for the purpose of Development Committee action.

Section 4.4 Voting Rights. Voting by representatives of Development Participants will be by Participation Entitlement Percentage with 65% or more affirmative vote necessary to carry the action.

Any decision related to the Development Work taken by the affirmative vote of representatives of Development Participants holding less than 65% of Participation Entitlement Percentage can be reviewed and revised if a Development Participant holding any Participation Entitlement Percentage gives notice of intention to seek such review and revision to each other Development Participant within 48 hours after receiving written notice of such action. If such notice of intention is so given, any action taken specified in the notice shall be nullified, unless Development Committee representatives holding at least 65% of the total Participation Entitlement Percentage vote in favor thereof at a regular or specially called meeting of the Development Committee. If the notice of intention concerned a failure to act, such action shall nevertheless be taken if the Development Committee representatives holding at least

65% of the total Participation Entitlement Percentage vote in favor thereof at a regular or specially called meeting of the Development Committee.

Section 5. Powers, Duties and Responsibilities of the Development Committee. The Development Committee shall monitor the continuation of the Development Work, make the information and documents produced by the Development Work available to the Development Participants, provide a liaison among the Development Participants and CVP Corp with respect to Development Work, and make such recommendations to CVP Corp with respect to the Development Work Budget as the Development Committee deems advisable, including recommendations on the form of all Project agreements included in the Development Work and on any other activities deemed necessary or desirable to complete Development Work and to otherwise accomplish the purposes of this Agreement.

Section 6. Financial Commitments. As set forth in Exhibit B hereto, the Development Work Budget is \$1,575,000. Each Development Participant agrees, by executing this Agreement, to a financial commitment hereunder for its respective Participation Entitlement Percentage of a total of \$1,575,000 in accordance with Section 7 through Section 7.2. The Development Participants acknowledge that the Participation Entitlement Percentages are subject to automatic adjustment pursuant to Section 12 and to adjustments based on the decisions of the affected Development Participant pursuant to Section 13. No Development Participant has any obligation hereunder to fund a Development Work Budget increase but each Development Participant acknowledges that a failure to fund its Participation Entitlement Percentage of any such increase may result in a reduction of its Participation Entitlement Percentage by virtue of the funding of the increase not paid by such Development Participant by another Development Participant or other entity in accordance with Section 13.

The Development Work Budget may be increased from time to time by CVP Corp but only after the Development Committee has been given an opportunity to review and make a recommendation with respect to each such increase. Upon approval of a Development Work Budget increase by CVP Corp, each Development Participant shall, within 30 days of receiving notice of such increase, either pay its Participation Entitlement Percentage of such increase or notify CVP Corp of its determination not to make such a payment. Failure by a Development Participant to pay its Participation Entitlement Percentage of any increase in the Development Work Budget within the time provided in this Section 6 will constitute notice by such Development Participant of its determination not to make such payment.

Section 7. Cash Advances, Invoicing and Working Capital Fund. Each Development Participant hereby agrees to pay or advance to CVP Corp \$3,000 per MW of requested participation in the Project as set forth on the Development Participant's Signature Page to this Agreement. Upon execution of this Agreement, 50% of this total amount (e.g. 25 MW x \$3,000 x 50%) shall become due and payable to CVP Corp within 10 business days of receipt of an invoice and the remainder (the "Balance Due")

shall be paid in accordance with Section 7.1. All such advances shall be deposited in the Working Capital Fund described in Section 7.2 of this Agreement.

The above \$3,000 per MW of participation may be increased by CVP Corp to no more than \$3,750 per MW if less than 500 MW of the Project Participation is subscribed to by Development Participants.

Section 7.1 Payment of Invoices. (a) CVP Corp shall make demands for payment of the unpaid Balance Due from each Development Participant in accordance with subsection (b) of this Section 7.1 by sending an invoice for the amount then due. Payments shall be made to CVP Corp at their corporate headquarters, 180 Cirby Way, Roseville, CA 95678. Any part of such invoice which remains unpaid for twenty days after its billing date shall bear interest from such twentieth day at the reference rate of the Bank of America, N.A. then in effect, plus two percent, computed on a daily basis, until paid. Interest so earned shall not change any Development Participant's Participation Entitlement Percentage and shall be deposited in the Working Capital Fund.

(b) CVP Corp may fix and schedule the payment of the Balance Due of each Development Participant into any number of payments (but not less than two nor more than three), and the dates on which such payments will be made (which shall be no later than six months after the effective date of this Agreement), and each Development Participant agrees to make such payments as provided in subsection (a) of this Section 7.1. Each Development Participant shall have the right to prepay its unpaid Balance Due by giving CVP Corp not less than ten days notice of such prepayment.

(c) Except with respect to a refusal to pay increases in the Development Work Budget made in strict conformity with Section 6, no Development Participant may avoid the obligation to pay amounts due from it under this Agreement for any reason, including any reduction in its Participation Entitlement Percentage, and such obligation shall be unconditional and not subject of setoff or other reduction; provided, however, that each Development Participant is obligated to make all such payments only from the applicable utility revenues or reserves or, in the case of a Development Participant which is a joint powers agency or other form of entity, from unencumbered funds legally available for such purpose.

Section 7.2 Working Capital Fund. All funds advanced by the Development Participants pursuant to this Agreement shall be deposited in the Resource 500 Working Capital Fund (the "Working Capital Fund") which shall be held by CVP Corp. Amounts in the Working Capital Fund shall be applied by CVP Corp towards the cost of Development Work under this Agreement and, except as provided in Section 9, not for any other purpose. A periodic reporting of expenditures, activities and balance of the Working Capital Fund shall be provided to the Development Committee by CVP Corp.

Section 8. Limited Rights to Enter Into Power Sales Agreement.

Section 8.1 Discretion – Development Participants' Option to Acquire Project Capacity and Energy. In consideration of the payments provided for in Section 7 of this Agreement, each Development Participant which is not then in default hereunder shall have an exclusive option to enter into a Power Sales Agreement for all or any portion of its Participation Entitlement Percentage of Project capacity and energy, which right shall be subject to CVP Corp acquiring title to the Project.

Section 8.2 Increase in Purchases. A Development Participant executing and delivering a Power Sales Agreement in accordance with Section 8.3 can, pursuant to a supplement to its Power Sales Agreement, purchase more than its Participation Entitlement Percentage of the capacity and energy of the Project if additional capacity and energy are made available by reason of the nondelivery of an executed Power Sales Agreement by one or more Development Participants or the execution and delivery of the Power Sales Agreement by one or more Development Participants for less than the full Participation Entitlement Percentages of such Development Participants. Such available capacity and energy shall first be offered on a pro rata basis to those Development Participants which have delivered executed Power Sales Agreement for all of their Participation Entitlement Percentages. If Development Participants so entitled do not wish to contract for all the available capacity and energy of the Project, the remaining available capacity and energy shall be disposed of as determined by CVP Corp after consideration of any timely recommendations received from the Development Committee.

Section 8.3 Effect of Taking Less Than Full Participation Entitlement Percentage. (a) CVP Corp shall establish the terms and provisions of the Power Sales Agreement for rights to capacity and energy from the Project as part of the Development Work. CVP Corp shall also establish the date by which the Power Sales Agreement must be executed by Development Participants and delivered to CVP Corp if they are to participate in the Project. Such date shall not be less than 30 days after delivery of the Power Sales Agreement in final form (except for the shares of Project capacity and energy to be taken by each entity executing the Power Sales Agreement). To be effective, the delivery of an executed counterpart of the Power Sales Agreement must be accompanied by an opinion of counsel acceptable to CVP Corp as to the validity and binding effect on the Development Participant of the Power Sales Agreement and in the form attached to the Power Sales Agreement.

(b) Failure by a Development Participant to execute and deliver the Power Sales Agreement for any of its Participation Entitlement Percentage pursuant to Section 8.3(a) will be an irrevocable decision on the part of that Development Participant not to exercise the rights given to such Development Participant in Section 8 hereof to acquire rights to the capacity and energy of the Project through the Power Sales Agreement. Execution and delivery of the Power Sales Agreement pursuant to Section 8.3(a) by a Development Participant for less than its total Participation Entitlement Percentage will be an irrevocable decision on the part of that Development

Participant not to participate in the Project in excess of the percentage of Project capacity and energy set forth in its delivered Power Sales Agreement.

(c) CVP Corp will attempt to enter into supplements to the executed Power Sales Agreements or to enter into other agreements for the Project capacity and energy not covered by executed Power Sales Agreements, subject to the allocation of such capacity and energy as set forth in Section 8.2. The procedure for processing supplements to executed Power Sales Agreements shall be consistent with those prescribed immediately above in this Section 8.3 with respect to the original Power Sales Agreements. Failure to return an executed supplement to an executed Power Sales Agreement for any additional Project capacity and energy within the prescribed period is an irrevocable decision not to purchase such additional capacity and energy.

Section 9. Conditional Repayment to Participants. All payments and advances made heretofore, and those hereafter made pursuant to Sections 1 and 7 of this Agreement, excluding interest paid on delinquent payments, shall be repaid to each of the Development Participants or entities specified in Section 1 out of the proceeds of the first issuance of the Project bonds, notes or other evidences of indebtedness issued to provide permanent (and not interim) financing for the Project ("Bonds") which can provide therefore after providing for all of the purchase price of the Project, all requirements of the proceedings and documents relating to the issuance of the Bonds and the purchase of the Project by CVP Corp, and all amounts deemed necessary by CVP Corp for the initial operation of the Project, including working capital, reserves and provisions for fuel for the Project. Such reimbursements shall be made within 60 days following the sale of any Project Bonds satisfying the conditions of the immediately preceding sentence and shall include interest computed monthly at a rate equivalent to the end of the month reference rate of the Bank of America, N.A. Any interest due under Section 7 of this Agreement and unpaid shall be deducted from the repayment. If CVP Corp determines to purchase the Project, but is not successful in closing the purchase, including without limitation the failure to obtain financing therefore, there shall be no reimbursement except out of any moneys remaining in the Working Capital Fund which shall be applied pro rata based on cash advances by the Development Participants and the other entities specified in Section 1(a).

Section 10. Term. This Agreement shall take effect as of December 15, 2005, but only if Development Participants holding 400 MWs or more of Participation Entitlements in the Project have delivered executed counterparts of this Agreement to CVP Corp by such date. If Development Participants holding 400 MWs or more of Participation Entitlements in the Project have not delivered executed counterparts of this Agreement to CVP Corp by such date, CVP Corp may establish a later date for the delivery of the required executed counterparts of this Agreement, but not later than July 1, 2006, to permit CVP Corp to obtain counterparts of this Agreement executed by Development Participants holding 400 MWs or more of Participation Entitlements. This Agreement shall be superseded by the Power Sales Agreement, except that section 9 of this Agreement shall remain in effect until such obligations have been fully performed. Changes may be made in this Section 10, except as to the continued effectiveness of

Section 9, with the approval of CVP Corp and all Development Participants which have executed this Agreement. Notwithstanding the foregoing, CVP Corp shall have the right, in its sole discretion, to terminate this Agreement at any time, in which case, any funds remaining in the Working Capital Fund, after payment of any outstanding liabilities for expenses authorized under this Agreement shall be reimbursed in accordance with Section 9.

Section 11. Assignment by CVP Corp. CVP Corp retains the right to assign this Agreement and any other Project related agreements to SNEPA. Development Participants hereby consent to such assignment and upon notification in writing by CVP Corp, each such Development Participant will make all payments under this Agreement directly to the assignee.

If CVP Corp makes an assignment pursuant to this section, it shall transfer all of its rights and duties under this Agreement to SNEPA, however the rights and duties of the Development Participants shall remain the same as provided in this Agreement. Upon such assignment, duties under this Agreement relating to CVP Corp shall be transferred to SNEPA provided SNEPA executes an assignment of this Agreement agreeing to be bound hereby.

Section 12. Failure to Make Payments; Adjustment of Participation Entitlement Percentages. Upon failure of any Development Participant to make any payment under this Agreement the Participation Entitlement Percentage of each non-defaulting Development Participant shall be automatically increased pro rata with that of the other non-defaulting Development Participants by the amount of advances remaining to be paid by the defaulting Development Participant, and the defaulting Development Participant's Percentage Participation shall (but only for purposes of computing the respective Participation Entitlement Percentage of the non-defaulting Development Participant) be reduced correspondingly; provided that the sum of all such increases for any non-defaulting Development Participant shall not exceed without written consent of such non-defaulting Development Participant an accumulated maximum of 25% of the non-defaulting Development Participant's original Participation Entitlement Percentage.

If the Development Participant fails or refuses to pay any amounts due to CVP Corp, the fact that other Development Participants increase their obligations to make such payments shall not relieve the defaulting Development Participant of its liability for such payments and any Development Participant increasing such obligation shall have a right of recovery from the defaulting Development Participant to the extent of such respective increase.

Section 13. Nonparticipation in Development Work Budget Increases. If at any time following the execution of this Agreement, there is an increase in the Development Work Budget, each Development Participant may refuse to pay its Participation Entitlement Percentage of such increase and reduce its Participation Entitlement Percentage in the Project. Such refusal shall not affect any obligations of such Development Participant therefore made or thereafter made under this Agreement. To effect such refusal, the Development Participant shall give CVP Corp written notice of



such refusal to fund within thirty (30) days of the receipt of the notice by them of the increase of the Development Work Budget. In the event of a refusal of one or more Development Participants to fund their share of an increase in the Development Work Budget, CVP Corp shall convene a meeting of the Development Committee as soon as possible to discuss the potential assumption by the other Development Participants of the available Participation Entitlement.

Section 14. Miscellaneous.

(a) The headings of the various Sections of this Agreement are for convenience only and do not constitute a part of this Agreement.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of California with respect to contracts executed and to be performed in said State.

(c) This Agreement constitutes the entire understanding of the parties with respect to the subject matter hereof and supersedes all other understanding and agreements, whether written or oral, of the parties with respect to the subject matter hereof.

(d) If any provision of this Agreement, or its application to a set of circumstances, shall be held illegal or unenforceable by a court of competent jurisdiction, then such provision (or its application to such circumstances) shall be considered severed from this Agreement and the remaining provisions of this Agreement, and the application of this Agreement to other circumstances, shall not be affected thereby.

(e) References herein to Sections shall be to the particular Sections of this Agreement unless otherwise expressly indicated or indicated by the context in which such reference is made.

(f) This Agreement may be executed by the parties in any number of counterparts but all such counterparts shall constitute but one and the same agreement among the parties.

IN WITNESS WHEREOF, each Development Participant has caused this Agreement to be executed by one of its duly authorized officers in accordance with the authorization of its governing body, and CVP Corp has caused this Agreement to be executed by the Chairman of its Board of Directors in accordance with the authorization of its Board of Directors.

CENTRAL VALLEY PROJECT  
CORPORATION

NAME OF DEVELOPMENT PARTICIPANT

By: \_\_\_\_\_  
Chairman, Board of Directors

Participation Entitlement Percentage:  
\_\_\_\_\_ %

Number of Megawatts: \_\_\_\_\_ MW

By: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT A

CONFIDENTIALITY AGREEMENT

**CONFIDENTIALITY AND  
NON-DISCLOSURE AGREEMENT**

**THIS CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT** ("Agreement") is entered into as of \_\_\_\_\_ by and between **CENTRAL VALLEY PROJECT CORPORATION**, a California Nonprofit Public Benefit Corporation, with its principal executive offices at 180 Cirby Way Roseville, California 95678-6420 ("CVP Corporation") and the undersigned ("PARTICIPANT"), referred to collectively as "Parties" and individually as "Party."

**RECITALS**

- A. CVP Corporation has the opportunity to purchase from a confidential seller ("Seller") a 500 MW gas-fired power plant in Northern California, together with related facilities and equipment, commonly referred to as the Resource 500 Project (the "Project");
- B. The Participant has indicated a preliminary interest in possibly acquiring capacity and energy of the Project from CVP Corporation, subject to the closing of the sale of the Project to CVP Corporation;
- C. The Parties desire to exchange certain proprietary or confidential information for the purpose of discussion of the Project (the "Proposed Transaction"); and
- B. The Parties are willing to provide such information for such purpose in accordance with the terms hereof.

**NOW, THEREFORE**, the Parties do hereby mutually agree as follows:

- 1. Definitions.
  - a. "Confidential Information" shall mean all confidential or proprietary written, recorded, electronic or oral information or data (including without limitation research, developmental, engineering, manufacturing, technical, marketing, sales, financial, operating, performance, cost, business and process information or data, trade secrets, discoveries, ideas, designs, data, source code, object code, processes, computer programs, developments, flow diagrams, know-how, and computer programming and other software and software techniques) provided (whether such confidentiality or proprietary status is indicated orally or, whether or not the specific words "confidential" or "proprietary" are used) to a Party (the "Receiving Party") by a Party (the "Disclosing Party") in the course of the exchange of such information or data among the Parties. Notwithstanding the foregoing, any such foregoing confidential or proprietary information of Seller, including the identity of Seller, if authorized to be disclosed to a Party, shall constitute Confidential Information hereunder, whether or not Seller is joined as a Party hereto. Without limiting the aforesaid, the existence of discussions between the Parties regarding the Proposed Transaction shall constitute Confidential Information hereunder.
  - b. "PARTICIPANT" shall include any of PARTICIPANT'S subsidiaries or affiliates.

- c. “CVP CORPORATION” shall include any of CVP Corporation’s subsidiaries or affiliates.
  - d. “Person” shall be broadly interpreted to include, without limitation, any corporation, company, partnership, other entity or individual.
  - e. “Representatives” shall mean as to any Person, its directors, officers, employees, agents and advisors (including, without limitation, financial advisors, attorneys and accountants).
2. Confidentiality and Non-Use. In consideration of each Party's providing Confidential Information, the Parties agree as follows:
- a. The Receiving Party shall hold confidential and not disclose to any Person, without the prior written consent of the Disclosing Party, all Confidential Information and any information about the Proposed Transaction, or the terms or conditions or any other facts relating thereto, including, without limitation, the fact that discussions are taking place with respect thereto or the status thereof, or the fact that Confidential Information has been made available to the Receiving Party or its Representatives; provided, however, that the Receiving Party may disclose such Confidential Information to its Representatives who are actively and directly participating in its evaluation of the Proposed Transaction or who otherwise need to know the Confidential Information for the purpose of evaluating the Proposed Transaction;
  - b. The Receiving Party shall cause all its Representatives to observe the terms of this Agreement and shall be responsible for any breach of the terms of this Agreement by it or its Representatives; and
  - c. The Receiving Party shall return or destroy all Confidential Information (including all copies thereof) within 30 days of receipt of a written request therefor.

In addition to the foregoing, the Receiving Party will not use the Confidential Information (a) in any way detrimental to the Disclosing Party’s shareholders or members or (b) for any purpose other than in connection with the Proposed Transaction.

3. Exceptions to the Confidentiality and Non-Use Obligations. The obligations imposed by Section 2 hereof shall not apply, or shall cease to apply, to any Confidential Information if or when, but only to the extent that, such Confidential Information:
- a. was known to the Receiving Party prior to the receipt of the Confidential Information; or
  - b. was, or becomes through no breach of the Receiving Party's obligations hereunder, known to the public; or
  - c. becomes known to the Receiving Party from sources other than the Disclosing Party under circumstances not involving any breach of any confidentiality obligation; or
  - d. is independently developed by the Receiving Party, as evidenced by the written records thereof.

It shall not be a breach of the confidentiality obligations hereof for a Receiving Party to disclose

Confidential Information where, but only to the extent that, such disclosure is required by law or applicable legal process, provided in such case the Receiving Party shall (i) give the earliest notice possible to the Disclosing Party that such disclosure is or may be required and (ii) cooperate in protecting such confidential or proprietary nature of the Confidential Information which must so be disclosed.

4. No Further Agreements Hereunder. No Party nor any parent, subsidiary or affiliate thereof, shall be under any obligation to enter into any further agreements with the any signatory hereto or its parents, subsidiaries or affiliates of any nature whatsoever as a result of this Agreement. The Parties shall be free at all times to hold negotiations or enter into agreements with any other persons whatsoever (including with respect to projects under discussion by the Parties hereto) in addition to or in lieu of the discussions hereunder and any such activities shall not be a breach of this Agreement or any obligations owed to the other Party hereunder. Each Party hereto reserves the right, in its sole discretion, to decline and make, to retract or to reject at any time any proposal which has not yet become legally binding by execution of a written agreement between the Parties with respect thereto or with respect to any further agreements or business arrangements with the other Party hereto, its parents, subsidiaries or affiliates and to terminate all further discussions and negotiations.
5. No Representations and Warranties. Each of the Parties make no representation or warranties, express or implied, of any kind to the other Party with respect to the Confidential Information, including without limitation with respect to the accuracy or completeness thereof. Any representations or warranties shall be made thereby, if at all, only in definitive written agreements that may be entered into hereafter.
6. Termination; Duration of Obligations. Unless sooner terminated by mutual written agreement of the Parties, this Agreement and the obligations hereunder shall terminate on December 31, 2008.
7. Entire Agreement. This Agreement represents the entire understanding and agreement of the Parties relating to the subject matter hereof and supersedes all prior communications, agreements and understandings between the Parties relating to the subject matter hereof.
8. Waivers; Amendments; Assignment; Counterparts. This Agreement may not be modified, amended or waived except by a written instrument duly executed by the Parties. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. CVP Corporation retains the right to assign this Agreement and any other Project related agreements to Sierra Nevada Electric Power Authority ("SNEPA"). Participant hereby consents to such assignment by CVP Corporation. If CVP Corporation makes an assignment pursuant to this section, it shall transfer all of its rights and duties under this Agreement to SNEPA, however the rights and duties of the Participant shall remain the same as provided in this Agreement. Upon such assignment, duties under this Agreement relating to CVP Corporation shall be transferred to SNEPA. Seller may join as party to this Agreement by executing a counterpart signature page hereto and upon such joinder be deemed a Party hereto. Notwithstanding such joinder, Seller shall be considered a third party beneficiary of this Agreement. Except as provided herein, this Agreement may not be assigned by any Party without the prior written consent of the other Parties and shall be binding on, and inure to the benefit of, the respective successors and permitted assigns of the Parties. This Agreement may be signed in two or more counterpart originals, each of which shall constitute an original document.
9. Governing Law; Disputes. This Agreement is made subject to and shall be construed

under the laws of the State of California, without giving effect to its principles or rules regarding conflicts of laws, and that the state and federal courts situated in the State of California shall have exclusive jurisdiction to resolve any disputes with respect to this Agreement or the Confidential Information with each Party irrevocably consenting to the jurisdiction thereof for any actions, suits or proceedings arising out of or relating to this Agreement or the Confidential Information, and each Party irrevocably waives its rights to jury trials with respect thereto. In the event of any litigation hereunder, the prevailing Party shall be entitled to costs and reasonable attorney's fees.

10. Remedies. Without prejudice to the rights and remedies otherwise available to any Party, each Party shall be entitled to equitable relief by way of injunction or otherwise if the Receiving Party or any of its Representatives breach or threaten to breach any of the provisions of this Agreement and the Receiving Party shall not plead in defense thereto that there would be an adequate remedy at law.
11. Non-Publicity. All media releases, public announcements and other disclosures by any Party relating to this Agreement or the subject matter hereof, including promotional or marketing material, but excluding announcements intended solely for internal distribution or to meet legal or regulatory requirements, shall be coordinated with and approved by the other Party prior to release. In addition, the Receiving Party shall refrain from removing, overprinting or defacing any notices of copyright, trademark, bgo or other proprietary identifications or notices of confidentiality from any originals or copies of the Disclosing Party's Confidential Information.

**IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be executed by their respective authorized representatives as of the date first written above.

**PARTICIPANT**

**CENTRAL VALLEY PROJECT  
CORPORATION**

By: \_\_\_\_\_  
Name: Blair King  
Title: City Manager  
Date: December 22, 2005

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
D. Stephen Schwabauer, City Attorney

ATTEST:

\_\_\_\_\_  
Susan Blackston, City Clerk

## EXHIBIT B

### DEVELOPMENT WORK DRAFT BUDGET \*

Due Diligence Work	\$300,000
Drafting of Formal Offer and Purchase Agreements	775,000
Development of Internal Project Agreements	300,000
Contingency at 15%	<u>200,000</u>
Total Development Work Budget	<u>\$1,575,000</u>

Note: Line items shown above are for illustrative purposes only. Transfer of funds between line items may occur as necessary for completion of the project.

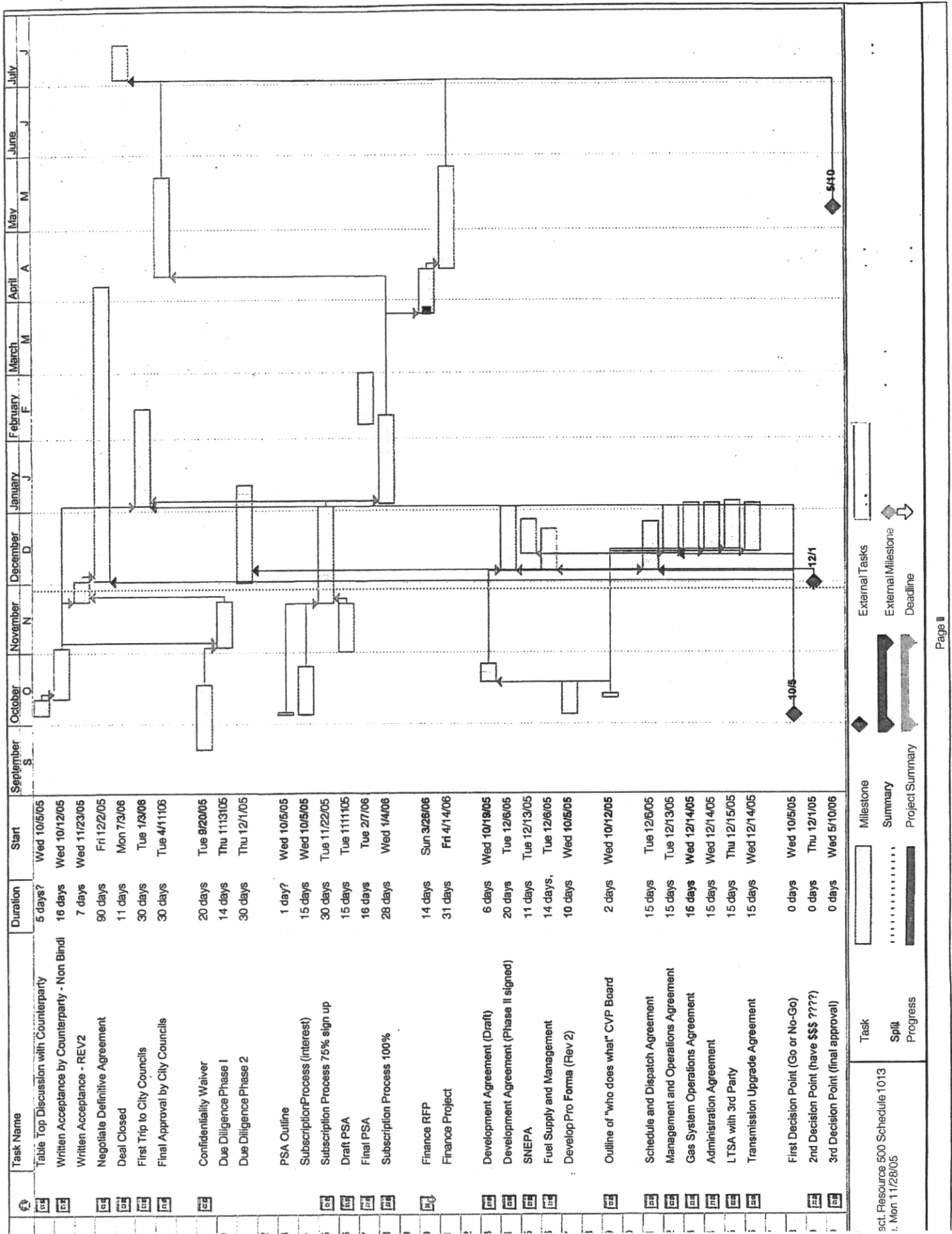
\* This draft budget does not include costs related to obtaining financing for this project which are expected to be paid from proceeds of the Project Bonds.



## EXHIBIT C

### Development Work Schedule and Milestones

# EXHIBIT C - Development Work Schedule and Milestones



RESOLUTION NO. 2005-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY  
MANAGER OR HIS DESIGNEE TO EXECUTE A PROJECT DEVELOPMENT  
AGREEMENT TO FUND DUE DILIGENCE ASSESSMENTS ASSOCIATED WITH  
THE RESOURCE 500 GENERATION PROJECT

=====

WHEREAS, the Central Valley Project Corporation (CVP Corp) is a non-profit corporation, incorporated in 2003, primarily to support programs and projects that benefit CVP customers and maximize the value of the Central Valley Project power Contracts. The CVP board currently consists of representatives from NCPA, SMUD and the City of Redding; and

WHEREAS, CVP Corp is in final negotiations to purchase a 500 MW gas fired, combined cycle power plant located in Northern California, which has been built with the latest technology and was constructed only five years ago; and

WHEREAS, this plant has an excellent heat rate (approximately 7000), which is the primary measure of plant efficiency, and preliminary due diligence indicates that the expected price of power from the plant will be very competitive with other options available in today's energy market in California; and

WHEREAS, CVP Corp is offering to public power entities an opportunity to participate in the ownership of the plant through firm purchase power agreements and has provided summary materials to interested parties to determine if this project would be an appropriate addition to their resource portfolios; and

WHEREAS, upon reviewing the materials and consideration of the current power needs of Lodi Electric, staff has concluded that this proposed project fits well into its electric resource portfolio, as this plant will provide diversity of location and its efficiency will provide the City of Lodi with a resource that is more economic than building a substantially smaller plant locally or contracting with for-profit marketers for a similar type product.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager or his designee to execute a Project Development Agreement to fund due diligence assessments associated with the Resource 500 generation project in an amount not to exceed \$61,875.

Dated: December 21, 2005

=====

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS –  
NOES: COUNCIL MEMBERS –  
ABSENT: COUNCIL MEMBERS –  
ABSTAIN: COUNCIL MEMBERS –

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



## CITY OF LODI COUNCIL COMMUNICATION

TM

**AGENDA TITLE:** Provide preliminary and non-binding policy direction regarding electric rate design/structure for future adjustment to base rates by transferring rates from Market Cost Adjustment charges to Base Rate charges, i.e. "Truing up the Electric Rates" (EUD)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Interim Electric Utility Director

**RECOMMENDED ACTION:** That the City Council provide preliminary policy direction to Electric Utility Department staff, which will serve as the basis for rate design, and the rate structure that will be brought to the City Council for approval at a future date.

**BACKGROUND INFORMATION:** The City Council approved a set of market cost adjustments (MCA's) on November 16, 2005. The MCA's approved by council became effective on December 2, 2005 and will be reflected in bills received by customers in December. As part of the MCA discussions, Council was told that Electric Department staff would return to the City Council for policy direction and guidance as part of a rate "true up" effort. This agenda item initiates that process and provides the opportunity for a fuller discussion of rate issues than could be accommodated during the MCA process given the urgency of the financial situation facing the City in November where the city was losing money on each unit of energy sold.

**Issue:** The Market Cost Adjustment implemented on December 2, 2005 allowed the Electric Utility to begin collecting for the significant increases in costs for bulk power. This Market Cost Adjustment addressed an increase in bulk power costs of over 38% since the last time a Market Cost Adjustment was made.

One of the key features of the Market Cost Adjustment is that it is supposed to be temporary in nature, requiring that the Electric Utility report on a quarterly basis the continued need for the Market Cost Adjustment and to recommend increases or decreases to the MCA as necessary. While the most recent MCA is entirely consistent with the intended purpose of the MCA, a permanent adjustment to electric rates, or "rate true up" is needed to reflect the fact that projected long term costs for bulk power will remain at or near levels secured through the current MCA and absent a structural adjustment to the base rate structure reflecting the more permanent increase in bulk power costs, the MCA would itself become a permanent feature of the rate structure, which is not what the MCA was intended for. The "rate true up" is intended to allow for a movement away from the current (temporary type) rate structure that relies heavily on the Market Cost Adjustment as an augmentation to base rates as the mechanism for meeting the overall revenue requirement for the utility, and instead providing for a movement to a permanent rate structure that relies on base rates as the mechanism for meeting the overall revenue requirement for the utility (e.g. "base rates" should be set to cover the expected average level of power and other costs).

APPROVED: \_\_\_\_\_  
Blair King, City Manager

In conjunction with the incorporation of the higher costs of bulk power into the base rate structure, this “true up” provides an opportunity to address elements of rate design that the Council or staff has previously identified as problematic, and/or which could not be addressed as part of the MCA discussions due to the short period of time under which the MCA process was undertaken. In that regard, staff has identified the following issues as benefiting from Council discussion and preliminary policy guidance prior to significant effort being expended on rate design under this “true up” effort.

## **Discussion:**

### **Issues to be addressed**

Staff has identified the following four rate design issues as forming the basis for additional discussion and preliminary policy direction from council:

- Relationship of Rates between Classes
- Rate Structure Complexity
- Discount Levels
- Economic Development

A couple of subsidiary issues fall out of the above major issues. These relate to the following:

- All electric rates
- Mobile Home rates

### **Relationship of Rates between Classes**

How rate levels differ by class such that sufficient revenues can be recovered to support overall utility operations is one the thorniest issues that rate designers face and is the primary decision that underpins all other rate design issues. Differences between classes are based on a number of factors:

- Cost of Service
- Competitiveness
- Economic value
- Other Local Considerations and Preferences

In short, rate designers will a) evaluate and determine the costs imposed on the utility by each class of customer, b) assess the relative competitiveness of the rates in each class to other utilities in the area and region, c) assess the relative economic value and need of certain classes in order to assess the need for credits or discounts and d) will assess other local community attitudes, values and beliefs as they may impact on rate design considerations.

To address the first factor described above, a Cost of Services Analysis (COSA) was performed for projected 2006 and 2007 costs. The purpose of the COSA was to identify the costs of serving each class of customer in order to determine how much revenue should be collected from each class based on the cost to serve a particular class. It is staff’s opinion that a band should be placed around these COSA values, meaning that the values that result from the study effort can be 15% higher or lower and still accurately reflect the cost of serving a particular class of customer. The result of the 2006 COSA is displayed below with a 15% banding around the current Lodi rates in place effective December 2, 2005.

COSA studies typically serve as the foundation for rate design. Once the total amount of revenue that needs to be collected from each class is identified, rate designers can take that revenue number and divide it by the amount of energy and capacity consumed by each rate class to come up with a rate structure that allows the appropriate level of revenue to be collected from each class. The 2006 and 2007 COSA studies referenced above, validated and reinforced the abbreviated COSA study that was used as the basis for the recently approved Market Cost Adjustments (MCA’s). As a result, the rates for all

customer classes except the Mobile Homes, I1 and G5 customer classes are within the COSA bands. Therefore, the classes falling within the bands can be easily transformed into a new base structure that combines the prior base rate with the recently approved MCA because the total rate with the new MCA is within the COSA banding results.

Rate (\$/kwh)	Lodi Average under MCA	COSA 2006	Low COSA 2006	High COSA 2006	PG&E Current Average w/ True Up
EA Residential	\$0.173	\$0.150	\$0.127	\$0.173	\$0.160
ED Low Income	\$0.096	\$0.149	\$0.126	\$0.171	\$0.093
EM Mobile Home	\$0.086	\$0.149	\$0.127	\$0.171	\$0.149
G1 Small Commercial	\$0.166	\$0.143	\$0.121	\$0.164	\$0.166
G2	\$0.150	\$0.136	\$0.116	\$0.157	\$0.150
G3 Small Industrial	\$0.144	\$0.135	\$0.115	\$0.156	\$0.144
G4 Medium Industrial	\$0.123	\$0.133	\$0.113	\$0.153	\$0.123
G5 Industrial	\$0.114	\$0.134	\$0.114	\$0.155	\$0.114
I-1 Industrial	\$0.089	\$0.137	\$0.117	\$0.158	\$0.114
Contract Large	\$0.085	\$0.131	\$0.111	\$0.151	\$0.108
Contract Medium	\$0.123	\$0.138	\$0.117	\$0.159	\$0.123

The Mobile Homes, I1 and Large Contract rates on the other hand were given MCAs whose effective rates were at a level of at least 40% below Cost of Service. Mobile homes will be discussed below. The industrial rate setting reflected the short amount of time provided to these customers to review and understand the basis for the increase so as to mitigate the rate shock that would occur in moving from the old rate to a COSA based rate. It also reflected an implied economic value for these customers.

The industrial customer class has expressed to EUD staff that implementation of a rate that reflects the city's cost of service for the industrial rate class would result in a rate level that would be a retreat from the city's historical policy of incentive or economic development based rates that formed the basis for many of these customers choosing to do business in Lodi. Several industrial customers have indicated that rates at the cost of service level could cause them to have to move elsewhere or shutdown as they would force costs too high for these plants to compete. As can be seen in the table above, the current Lodi rates are extremely competitive with PG&E at the current level, would be competitive with PG&E at the low end of the COSA banding level, but are not necessarily competitive with rate levels elsewhere in the region or out of the state. As a result, these customers have also expressed an interest in understanding what Lodi's long-term rate design policy will be in order that they achieve a level of stability and predictability in their rate structure, but also to make long-term business decisions about where they will conduct business.

To assist in assessing the economic value of the industrial customer class, the third element of rate design considerations, the industrial customers have agreed to fund an economic study that will report on the value of industry to the community. The report is expected to be completed on or around December 12, 2005, but was not available for staff review at the time this staff report was prepared. This report should be reviewed and considered in the context of this element of rate design.

Lastly, local considerations and preferences must be an element of rate design. As Lodi policy makers consider the future makeup of the community and assess where subsidies, discounts or credits will be

provided, consideration should be given to the type of business or industry that fits best with Lodi's long term vision of its future. If for example, Lodi wants to continue to attract industrial types of uses that will require a subsidy or credit from cost of service in order for those types of businesses to be competitive, then staff requests that council express its policy preference as retaining the relationship between classes as found in the table above. If, on the other hand, council wants to eliminate subsidies or credits to any class or provide subsidies or credits to a different class of customers in support of different strategic goals, staff requests that council express its policy preference to either eliminate subsidies and credits over time in order to achieve rates within the cost of service band or to grandfather existing customers at some level below cost of service with new customers being subject to a rate falling within the cost of service band.

As part of the MCA process, Council made a commitment to the industrial customers that the average rates effectuated through the MCA and the rate relationships between the industrial class and the remaining classes that resulted from the MCA would not be changed for the balance of the fiscal year. Any changes that occurred after that point, were to be considered in the context of the report being commissioned by the industrial customers, further discussions of the COSA studies, and further deliberations over the strategic interests of the city. Because staff and council have not seen the report on the economic value of industry to the community, it is premature to make any recommendations on new rate design for this class of customer, however, staff requests that council express a non-binding preference through a straw vote on this issue of consensus rate differentials to either:

- a) Maintain the current rate relationships as approved through the MCA through the balance of this fiscal year contingent on further discussions of the city's strategic preferences and further discussions of the results of the economic study report commissioned by the industrial customers;
- b) Maintain the current rate relationships as approved through the MCA through the balance of this fiscal year and begin working with the city council and industrial customers on a plan to transition to a cost of service based rate.

## **Rate Complexity**

As part of the MCA process, council expressed a concern that the tiered structure of the MCA was too complex. As part of the MCA process staff had proposed a nine tiered MCA that was intended to mimic PG&E's rate structure more closely than the base two tier structure otherwise allowed, but acknowledges that this structure is too complex. In order to address the complexity issue, staff is requesting council guidance in the following four areas:

- Residential tiering
- All Electric Rates
- Industrial Structure
- Mobile Homes

### ***Residential Tiering***

Lodi's base rate structure for residential customers includes two tiers. In contrast, PG&E's residential rate structure includes five tiers. During the last Market Cost Adjustment, staff proposed implementation of nine tiers for the residential MCA in an effort to try and get the combined two-tier base rate structure and nine tier MCA to align more closely with PG&E's five-tier rate structure. Council appropriately expressed concern in general with the complexity of this large number of tiers, but did not indicate how many tiers would be too many.

A more simplified two-tier rate structure would facilitate ease of understanding by the customer. However, the rates under this structure would not compare easily to PG&E and some customers would invariably have rates higher than PG&E and some less in order to achieve the mathematical average

being less than PG&E. If the PG&E comparison is not critical, then staff would recommend that the assigned revenue requirement for residential be recovered through base rates with a winter/summer differential and only two tiers. The MCA would be set to zero. Any future MCA's would be implemented with the same two tiers. If, on the other hand, close comparisons to PG&E are desirable, staff recommends the adoption of a structure that replicates the PG&E structure with five base tiers and any future MCA's implemented with the same five tiers.

Staff requests that council express a non-binding preference through a straw vote for either:

- Moving toward the long term objective of a rate structure similar to PG&E – five tier residential rate design; **or**
- Having as the objective average customer bills that are less than PG&E with a less complicated – two tier residential rate design

### ***All Electric Homes***

Lodi currently has approximately 600 customers on the All Electric Home Rate. These customers receive a higher allotment of energy in the first tier (585 kwhrs in the all electric vs. 440 kwhrs during the summer and 1,000 kwhrs vs. 400 kwhrs in the winter) which translates into an approximate 10% discount for 585 kwhrs of consumption during the summer and an approximate 20% discount for 1,000 kwhrs of consumption during the winter. While these discounts made some economic sense in the past, they make no sense today. In the far distant past, energy costs declined as the level of production increased. That cost relationship no longer exists. The electric utility now faces increasing costs as production increases or as new generation is utilized. Because of this new relationship, providing the all-electric home customers with a larger base level of consumption at the first tier rate requires a subsidy from the standard residential customer to the all-electric residential customer. In staff's opinion, this subsidy should be eliminated and all residential customers should be treated equally. A table showing NCPA cities with and without the all-electric rate is attached as exhibit 1.

Staff requests that council express a non-binding preference through a straw vote for either:

- a) retaining the all electric home rate schedule along with its higher allocation of first tier consumption; and
- b) eliminating the distinction between the standard residential rate class and the all electric rate class.

### ***Industrial Structure***

With respect to industrial rate design and the level of complexity that currently exists, the industrial class design has three tiers or costing periods: on-peak, off-peak and partial peak. Generally, Lodi's power costs are incurred in only two periods referred to as Heavy Load and Light Load. Therefore, a reduction to two rate periods would be justified. This would also help to facilitate revenue stability by aligning revenues more closely with cost causation.

A second element of the industrial rate design that needs to be addressed is the provision for customers that use over 1 mw of electricity to self select into either of two rate classes, the I1 rate class or the G5 rate class along with the provision of an economic stimulus credit that is extended to all customers eligible to self select into either rate class where the credit is extended without regard to performance criteria, obligations or time limits.

Staff's recommendation is to eliminate the ability for any customer to self select into a rate class along with any evergreen rate credits, replacing these credits with specific agreements, if warranted, that specify the term of the agreement, provisions for modifying the agreement and performance



**Receive Preliminary and Non-Binding Policy Direction from City Council in order to adjust base rates by transferring rates from Market Cost Adjustment Charges to Base Rate Charges – “Truing up the Electric Rates” (EUD)**

**December 21, 2005**

**Page 6 of 9**

requirements and obligations on the part of the customer that are expected in return for the credit. This is discussed in more detail later, under economic development.

Staff requests that council express a non-binding preference through a straw vote for either:

- a) Simplifying the current industrial structure with a two period (high load hour and low load hour cost structure and eliminating the evergreen economic stimulus credit and ability to self select into a rate class, **or**
- b) Maintaining current structure.

### **Mobile Homes**

Lodi has six mobile home parks representing approximately 490 mobile home pads. Under the mobile home rate, the mobile home park is metered at a single point, called a master meter. The owner of the mobile home park then sub-meters their individual tenants and bills those tenants directly for their energy use. The city of Lodi does not send bills for electric charges to these individual tenants, but instead has a billing relationship directly with the mobile home park owner. The above rate table (in the cost of service section) demonstrates that the Mobile Homes pay significantly less than COSA, +50%.

Unfortunately, mobile home rates tend to be particularly messy when subjected to major changes due to the unique metering and billing arrangements that exist in these master metered communities and staff recommends that it would be useful to meet with the mobile home park owners to discuss the implications of significant changes to rates prior to asking for preliminary council direction in this area. As a result, staff will not ask for preliminary council policy direction in this area and bring any recommended changes regarding mobile homes back to council at a later date.

### **Discounts**

During council's deliberations on the market cost adjustment, council members commented that discounts were both too much and not enough. In an effort to gain further insight into the differing policy objectives of different council members, staff has assembled a list of all discounts that are currently in place in the city in an attempt to enhance the discussion on discounts and to discern whether the treatment of discounts should be differentiated in any way based on the type of discount. Below is a list of the discounts currently in effect, the total cost of those discounts and the cost per account of those discounts.

#### **Discount Analysis**

	<b>Residential Discounts</b>	<b>Discount</b>	<b>Avg by Acct</b>	<b># Accounts</b>
EAFI	Fixed Income	\$4,606	\$51	90
EAMR	Medical	\$44,257	\$126	350
ED	SHARE (low income)	\$293,036	\$181	1,618
EDMR	SHARE Medical	\$39,470	\$256	154
EEMR	All-Electric Medical	\$360	\$90	4
EF	All-Electric SHARE (low income)	\$9,232	\$176	53
EFMR	All-Electric SHARE Medical	\$777	\$173	5
	<b>Residential Discount Total</b>	<b>\$391,738</b>		<b>2,274</b>
	<b>Commercial</b>	<b>Discount</b>	<b>Avg by Acct</b>	<b># Accounts</b>
G1B	G1 Community Benefits Incentive	\$6,795	\$1,045	7
G2CB	G2 Community Benefits Incentive	\$25,272	\$5,616	5
	<b>Commercial Discount Total</b>	<b>\$32,067</b>		<b>12</b>
	<b>Industrial Discounts/Credits</b>	<b>Discount</b>	<b>Avg by Acct</b>	<b># Accounts</b>
ESRC	Economic Stimulus Rate	\$801,334	\$72,849	11
	Individual Contracts	\$805,840	\$115,120	7
	<b>Industrial Discount Total</b>	<b>\$1,607,174</b>		<b>18</b>

## **Residential Discount Programs**

### ***Fixed Income***

For those customers on fixed incomes below \$45,000 annually and who are over 62 years old and do not qualify for any other discount, a discount of 5% on their electric bill is available. There are currently 90 accounts receiving this discount with a total annual cost of \$4,606.

### ***Medical Rider***

Residential customers on the standard residential rate (EA), the SHARE program rate (ED) or the Mobile Home rate (EM) are entitled to an additional 500 kwhrs of electricity at a lower first tier rate under the Medical Rider Discount. To qualify for the Medical Rider, customers must demonstrate that they are either: a) dependent on life support devices used in the home, b) a paraplegic, quadriplegic or hemiplegic person having special air-conditioning needs, c) a multiple sclerosis patient having special heating or cooling needs or d) have another medical condition requiring special heating or cooling needs that would be reviewed on a case by case basis. Customers are also allowed to combine discounts if eligible for both the SHARE discount and the Medical Rider, but for the purposes of this paragraph, only the Medical discount will be discussed. There are currently 354 accounts receiving this discount with a total annual cost of \$134,032. The discount results in an approximate 8% reduction from the standard applicable rate.

### ***SHARE***

The SHARE discount is available to any customer in single family or multi family dwellings separately metered by the City of Lodi (including mobile home tenants) where the customer meets the special income requirements of the rate schedule:

<b>Number of Persons in House hold</b>	<b>Maximum Annual Household Income</b>
1-2	\$22,000
3	\$25,900
4	\$31,500
Each additional person	\$5,200

There are currently 1,671 accounts receiving this discount with a total annual cost of \$397,168. The discount results in an approximate 30% reduction from the standard applicable rate.

### ***Combined SHARE/Medical Rider***

Customers eligible for either the SHARE discount or Medical Rider discount are eligible to combine the discounts. There are currently 159 accounts receiving the combined discount at a total annual cost of \$50,448. The discount results in an approximate 36% reduction from the standard applicable rate.

### ***Residential Discount Policy Direction***

For comparison purposes, staff has assembled comparisons from other NCPA cities that show the discounts and levels of discounts that are provided for each of the categories of residential discounts as Exhibit 2. Staff requests that council express a non-binding preference on residential discount programs through a straw vote to either:

- retain the existing discount programs with approximately the same level of discount applied to each program
- retain the existing discount programs with a reduced level of discount applied to each program
- retain the existing discount programs with an increased level of discount applied to each program
- eliminate the existing discount programs

## **Commercial Discount Programs**

### ***G1 and G2 Community Benefits Incentive Discount***

Non-profit entities (as defined in Federal Internal Revenue code 501(c)(3) who are currently receiving Federal Community Development Block Grant Funds or have received such funds not more than two years before preparation of the current billing cycle charge are eligible for a 30% discount on energy and demand charges. There are a total of seven G1 accounts receiving this discount at a cost of \$6,795 and a total of five G2 accounts receiving this discount at a total cost of \$25,272. A list of the customers receiving the Community Benefits Incentive discount is attached as Exhibit 3.

Staff requests that council express a non-binding preference through a straw vote to either:

- a) retain the existing discount programs with approximately the same level of discount applied to each program
- b) retain the existing discount programs with a reduced level of discount applied to each program
- c) eliminate the existing discount programs

## **Economic Development**

There have been a number of mechanisms employed by Lodi to attract employers into the city. Staff has been unable, however, to locate analyses that evaluated the costs and benefits of offering these mechanisms for economic development purposes. As indicated above, the industrial customers have commissioned a study that is intended to evaluate the value of industry to the community and which may assist the council in its future deliberations on economic incentives. In the absence of background materials describing the purpose and value for the various industrial credits and discounts, staff will describe the discount and the qualifying criteria.

### ***Economic Stimulus Credit***

The economic stimulus credit is provided to **all** customers in the G5 and I1 rate classes. The credit is a permanent feature of the rate. The credit provides for a \$/kWh reduction off the published rate for each kWh consumed. The credit amounts to an approximate 5% to 10% discount from the published rates. As noted above, staff recommends eliminating any evergreen discounts from the rate structure and instead incorporating any desired discounts into specific agreements with explicit end dates, modification criteria and performance obligations.

Under the Market Cost Adjustment and rate lock commitment provided to the industrial customers through the end of this fiscal year, the Economic Stimulus Credit has been effectively subsumed into the overall industrial rate reduction from cost of service. Future designs will need to determine whether this feature is explicitly retained or eliminated. For example, if industrial rates were set at a specific level below cost of service, the resulting rate differential could serve as a permanent, transparent method of valuing the economic benefit of these customers. Alternatively, the industrial rate could be set at cost of service, and only selected and qualified customers could be offered the economic development credit, in which case, an explicit rate value would need to be made available.

### ***Individual Contracts***

In the past, in order to attract customers and/or to allow customers under expiring below market contracts to transition to the published rate over a longer period of time, special agreements were put in place. The original intent was for these contracts to act as an attraction or retention tool with the expectation that they would expire on a specific date after which the customer would transition to the published rate.

These contracts are largely operating as intended, with the exception that the transition rate should have been slightly higher than has turned out to be the case, and that a more detailed cost benefit analysis of

the contracts could have been undertaken. Contracts can be effective tools for economic development if used in a manner that clearly supports the strategic objectives of the city.

In order to begin sorting out the myriad of economic development options available to the city council, staff requests that council express a non-binding preference through a straw vote on the following issues:

- a) a yes or no vote on whether the economic stimulus credit should be retained
- b) a yes or no vote on whether the economic stimulus credit should be limited in duration (e.g. 5 years or less)
- c) a yes or no vote on whether the economic stimulus credit should be tied to measurable and/or quantifiable returns to the community
- d) a yes or no vote on whether the economic stimulus credit should be tied to a maximum discount from Cost of Service
- e) if the answer to d is yes, a yes or no vote on whether the maximum discount from cost of service should be greater or less than 25%

### **Next Steps**

Based on the preliminary and non-binding policy preferences expressed by city council, staff can prepare an updated rate design incorporating those preliminary policy preferences. The updated rate design will then be brought back to city council for further council and public input and deliberation.

### **FISCAL IMPACT:**

### **FUNDING:**

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James R. Krueger, Finance Director

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David Dockham  
Interim Electric Utility Director

DD/lst

Attachments

## Exhibit 1 - Comparison of All Electric and Mobile Home Rates

NCPA Members	All-Electric Rate	Mobile Home Rate	
Alameda	Yes	No	Residential-Master Meter
Biggs	No	No	
Gridley	No	No	
Healdsburg	Yes	No	Residential-Individual
Lompoc	Yes	No	Residential-5 Master and 2 Individual
Palo Alto	No	No	Residential-Individual
Plumas-Sierra	No	No	Commercial-Master Meter
Roseville	No	No	Residential-Individual Meter
Ukiah	Yes	No	Residential-Master Meter
Lassen Municipal	No	No	Residential-Individual
Redding	No	Yes	Residential-Master Meter
Santa Clara	No	No	Residential-Individual
Truckee Donner	No	No	Residential-Individual
Turlock	No	No	Residential-Individual

Rates as of 12/5/05

Exhibit 2 - Comparison of Low Income and Medical Discount Programs

600 kWh Average

NCPA Members	Low Income	Discount	Medical	Discount	Medical Low Income	Discount
Alameda	Yes	25%	Yes	10%	Yes	15%
Biggs	No	0%	No	0%	No	0%
Gridley	No	0%	Yes	25%	No	0%
Healdsburg	Yes		Yes			
Lompoc	No	0%	Yes	10%	No	0%
Palo Alto	Yes	20%	No	0%	No	0%
Plumas-Sierra	No	0%	No	0%	No	0%
Roseville	Yes	15%	Yes	39%	No	0%
Ukiah	Yes	\$25	Yes	10%	No	0%
Lassen Municipal	No	0%	No	0%	No	0%
Redding	No	0%	Yes	25%	No	0%
Santa Clara	Yes	25%	Yes	25%	No	0%
Truckee Donner	No	0%	No	0%	No	0%
Turlock	Yes	15%	Yes	33%	No	0%

50% on first 500 kWh per month and 15% above 500 kWh  
500 kWh

50% reduction on first 500 kWh

Rates as of 12/5/05

SMUD                      Yes                      30%    Yes                      30%    Yes                      50%

### Exhibit 3 - Community Benefit Incentive Customers

Community Benefit Incentive Customers
Lodi Adopt A Child
Lodi Boys and Girls Club
Loel Foundation
Lodi House
Lodi Salvation Army
Hill House Museum



## CITY OF LODI COUNCIL COMMUNICATION

TM

**AGENDA TITLE:** Adopt resolution to award contract to Rosendin Electric Inc., San Jose, CA for the reconstruction of Killelea Substation and the addition of 60kV power circuit breakers (PCB) at Industrial Substation; accept the bid withdrawal of Diede Construction; and authorize the transfer of funds in the amount of \$4,231,874 to fund this phase of the project (EUD)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Electric Utility Director

**RECOMMENDED ACTION:** That the City Council adopt resolution awarding the contract for the reconstruction of Killelea Substation and the addition of 60kV PCB at Industrial Substation to Rosendin Electric (Rosendin) of San Jose, California, and to further accept the bid withdrawal of Diede Construction (Diede) and authorize the transfer of sufficient funds of \$4,231,874 to fund this phase of the project.

**BACKGROUND INFORMATION:** Planning for the reconstruction of Killelea Substation and the addition of two 60kV PCB at Industrial Substation commenced on June 7, 2000. Engineering and design were completed on January 19, 2005. On August 3, 2005, the City Council authorized the advertisement for bid for this project. Bid proposals were received and opened on November 9, 2005 from three bidders with the results shown below.

BIDDER	AMOUNT
<b>Rosendin Electric Inc., San Jose CA</b>	<b>\$4,231,874.00</b>
Wilson Construction, Rancho Cordova, CA	4,854,928.50
* <del>Diede Construction, Woodbridge, CA</del>	<del>4,038,025.63</del>

\* Bid withdrawn due to clerical error.

In the afternoon of the bid opening, we received a telephone call from Mr. Jeff Gilbertson of Diede Construction that they are withdrawing their bid due to clerical error. Letter of bid withdrawal from Diede was received on November 11, 2005 that is within five (5) days after the opening of bids as prescribed in California Public Contract Code Section 1503. A mistake was incurred in filling out the bid form, which made the bid materially different than they intended it to be. We therefore recommend to the City Council the acceptance of the bid withdrawal of Diede Construction.

The EUD Project Team and Power Engineers scrutinized the bid proposal and supporting documents submitted by the second lowest bidder, Rosendin. The bid proposal and supporting documents submitted by Rosendin were complete and in order. Due to the withdrawal of Diede and wide bid estimates on several Construction Units by the bidders, we requested Rosendin to verify their bid costs. Rosendin responded on November 16, 2005 that their figures are complete and correct for a total project

APPROVED: \_\_\_\_\_  
Blair King, City Manager



bid price of \$4,231,874. Power Engineers' estimate was \$3,869,040 with two (2) power transformers included in the cost. Deducting the approximate price of the transformers, the initial estimated construction cost of the substation would be \$3,069,040. Power Engineers furnished this estimated cost in July 7, 2003. The difference between the engineer's estimate and Rosendin's bid is \$1,162,834. The significant difference is due to market changes, unforeseeable natural events, and drastic price increases in materials and supplies from 2003 to the present time. During the bidding period, more than twenty-five (25) sets of bid documents were mailed to potential bidders but only ten (10) prime contractors showed interest on the project. Three proposals were received and another one missed the 11:00 o'clock deadline on November 9, 2005. It is assumed that the resurgence of high-voltage transmission projects, renewable energy resource initiatives and other construction projects resulted in shortage of skilled labor and relatively low response to this bid request by the City. Rebidding the project, which is not recommended, would likely draw fewer bids and most probably at a higher price. Based on current conditions and for purposes of improving the power distribution system of the City, we therefore recommend that project be awarded to Rosendin Electric.

Total project costs are estimated at \$6,208,003 and a breakdown of those costs is provided on Attachment 1. Currently, funds remaining in the bond proceeds total \$11.8 million.

Therefore, we recommend the transfer of funds to finance this portion of the reconstruction of Killelea Substation and the addition of power circuit breakers (PCB) at Industrial substation. The transfer from bond proceeds to augment funds in Business Unit 161677 shall be \$4,231,874.

**FISCAL IMPACT:** None. Project was scheduled and listed as a bond project. The estimated completion date is April 2007.

**FUNDING AVAILABLE:** Transfer from bond proceeds the amount of \$4,231,874 to project Business Unit No. 161677.

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James R. Krueger, Finance Director

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David Dockham  
Interim Electric Utility Director

**PREPARED BY:** Demy Bucaneg, Jr., Sr. Power Engineer

DD/DB/lst

cc: City Attorney

ATTACHMENT 1

**Killelea S/S Reconstruction & Industrial S/S 60kV PCB Addition Project**

Date: 8-Nov-05

<b><u>Item No.</u></b>	<b><u>Description</u></b>	<b><u>Estimate</u></b>
1	Reconstruction and PCB Addition	\$4,231,874.00
2	Power Transformer Procurement	\$1,250,000.00
3	Construction Management, Test and Commissioning	\$ 427,579.00
4	Engineering Support	\$ 61,350.00
5	House Acquisition	\$ 230,000.00
6	HazMat Test and Survey	<u>\$ 7,200.00</u>
	<b>Total Project Cost</b>	<b><u>\$6,208,003.00</u></b>

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING CONTRACT FOR THE  
RECONSTRUCTION OF KILLELEA SUBSTATION AND THE ADDITION OF 60KV  
POWER CIRCUIT BREAKERS AT INDUSTRIAL SUBSTATION; AND FURTHER  
ACCEPTING THE BID WITHDRAWAL OF DIEDE CONSTRUCTION AND  
AUTHORIZING THE TRANSFER FUNDS IN THE AMOUNT OF \$4,231,874 TO  
FUND THIS PHASE OF THE PROJECT

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on November 9, 2005, at 11:00 a.m., for the Reconstruction of Killelea Substation and the addition of 60Kv Power Circuit Breakers at Industrial Substation, described in the specifications therefore approved by the City Council on August 3, 2005; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof filed with the City Manager as follows:

<u>Bidder</u>	<u>Location</u>	<u>Bid</u>
<u>Engineer's Estimate</u>		<u>\$</u>
Rosendin Electric Inc.	San Jose, CA	\$4,231,874.00
Wilson Construction	Rancho Cordova, CA	\$4,854,928.50
Diede Construction	Woodbridge, CA	\$4,038,025.63*

**Note: \* Bid withdrawn due to clerical error.**

WHEREAS, the staff recommends award of the contract for the Reconstruction of Killelea Substation and the addition of 60Kv Power Circuit Breakers at Industrial Substation to the second low bidder, Rosendin Electric Inc., of San Jose, California in the amount of \$4,231,874.00, and further recommends accepting the bid withdrawal of Diede Construction and the authorization for transfer of sufficient funds of \$4,231,874.00 to fund this phase of the project.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby awards the contract for the Reconstruction of Killelea Substation and the addition of 60Kv Power Circuit Breakers at Industrial Substation to the second low bidder, Rosendin Electric Inc., of San Jose, California in the amount of \$4,231,874.00;

BE IT FURTHER RESOLVED, that the Lodi City Council hereby accepts the bid withdrawal of Diede Construction, due to a clerical error; and

FURTHER RESOLVED, that the Lodi City Council hereby authorizes the transfer of sufficient funds of \$4,231,874.00 to fund this phase of the project.

Dated: December 21, 2005

I hereby certify that Resolution No. 2005-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS -

ABSENT: COUNCIL MEMBERS -

ABSTAIN: COUNCIL MEMBERS -

SUSAN J. BLACKSTON  
City Clerk

2005-\_\_\_\_\_



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Ratification of Employment Agreement Entered into Between City Manager Blair King and Deputy City Manager/Internal Services Director James Krueger, and Receive, for Information Only, a Report on the Reorganization of the Finance Department and City Manager's Office

**MEETING DATE:** December 21, 2005

**PREPARED BY:** City Manager

### RECOMMENDED ACTION:

- 1) Adopt Resolution ratifying the terms of the employment agreement entered into between City Manager Blair King and Deputy City Manager/Internal Services Director James Krueger; and
- 2) Receive, for information only, a report on the reorganization of the Finance Department and City Manager's Office.

**BACKGROUND INFORMATION:** Lodi Municipal Code Section 2.12.060 vests with the City Manager the power to select subordinate staff. Based upon an open and competitive selection process, the City Manager selected Mr. Krueger to serve as the Deputy City Manager.

The City Manager wishes to provide Mr. Krueger with certain terms and conditions related to employment that extends beyond the Manager's authority and therefore requires ratification by the City Council. The Manager proposes the same agreement provided to Community Development Director Randy Hatch. The proposed Employment Agreement provides for a six-month severance payment if Mr. Krueger is terminated without cause, and it is a two-year "term" agreement. It is the Manager's intention to have all members of the Executive Management Team under a "standard" employment agreement. It has been noted previously that the City has evolved into a practice that some members of the City's Executive Management Team have employment agreements with severance provisions while others do not. The selection of those employees offered employment agreements appears to be random.

In addition to the selection of subordinate personnel, the above referenced Municipal Code section also charges the City Manager with developing an organizational chart. (The presumed purpose of this obligation is to require that the City Manager maintain the organization in accordance with principles, practices, and theories of Public Administration.) The precedent has been established in Lodi for City Managers to present the organizational chart to the City Council for information only.

Human Resources, Information Services, and many accounting functions are support/internal functions to "Line Departments". Line Departments are defined as those departments that deliver direct services to the public, (for example, Police, Fire, Public Works, Library, etc.) Support or Internal services are defined as those Departments or Divisions that support Line Departments. At times, conflict in policy and communication can occur between support departments and/or divisions that negatively impact the delivery of services to Line Departments and in turn the public. In order to increase the coordination of support functions and reduce communication breakdown, the Manager intends to place the supervision of all internal services under the direct control of the Deputy City Manager.

APPROVED: \_\_\_\_\_  
Blair King, City Manager

Furthermore, in order to reduce the number of Executive Management staff members, the position of Finance Director will be suspended and two new Manager positions will be created in Finance: Budget Manager and Financial Services Manager. This will reduce the number of highly paid Department Heads from nine to eight, and expand the role of the Deputy City Manager. However, the total number of employees City-wide will probably remain the same.

In brief:

- New Deputy City Manager Title: Deputy City Manager/Internal Services Director
- Salary: Currently remains the same as existing Deputy City Manager - up to \$119,556 annually
- Number of New Positions: Two: Financial Services Manager  
Responsibilities: Accounting and Billing  
  
Budget Manager  
Responsibilities: budget, Treasury Functions, Internal Audits, and Purchasing
- Pay Range for New Positions: \$81,985 - \$99,652
- Status of Finance Director: Position suspended
- Number of Employees Impacted: Financial Services Division: 19 full-time / 1 vacant  
Budget/Revenue/Treasury Division: 7 full-time / 1 vacant  
Human Resources Division: 6 full-time / 2 vacant  
Information Systems Division: 9 full-time / 2 vacant

Copies of the Employment Agreement, position description, and organizational charts are attached. It is anticipated that recruitment by the City's Human Resources Department will begin immediately to fill the Financial Services and Budget Manager positions. Until such times as these positions are filled, Accounting Manager Ruby Paiste will serve as Interim Finance Director. When the positions are filled the Finance Director position will be suspended.

**FISCAL IMPACT:** It is anticipated that for the remainder of the Fiscal Year, one position that was budgeted for the year will not be filled. The cost savings for the remainder of the fiscal year are estimated to be no less than \$66,000 but in actuality could be higher.

**FUNDING AVAILABLE:** Funding is available. The Deputy City Manager and Finance Director positions have been budgeted for the full year. It is anticipated that at least one more position, that was budgeted in FY 05-06 and that was not anticipated on being vacant, will be vacant the remainder of the fiscal year. Until the recruitments are complete, the specific vacant position is unknown.

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Ruby Paiste, Interim Finance Director

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Blair King, City Manager

Attachments: Employment Agreement  
Position Description  
Organizational Charts

# **PROPOSED EMPLOYMENT AGREEMENT**

## **EMPLOYMENT AGREEMENT**

### **Executive Management Exempt Service**

#### **Deputy City Manager/Internal Services Director**

**THIS AGREEMENT** entered into on December 12, 2005, by and between the CITY OF LODI, a municipal corporation (hereinafter referred to as "City") and James R. Krueger, an individual (hereinafter referred to as "Employee").

**WHEREAS**, City desires to employ the services of Employee as Deputy City Manager/Internal Services Director; and

**WHEREAS**, Employee desires to serve as Deputy City Manager/Internal Services Director for the City beginning December 12, 2005; and

**WHEREAS**, City and Employee agree in writing to the terms and conditions of employment as Deputy City Manager/Internal Services Director; and

**WHEREAS**, Employee and City agree and acknowledge that Employee's employment as Deputy City Manager/Internal Services Director is his sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

**NOW, THEREFORE**, in consideration of the promises and conditions set forth herein, the parties mutually agree as follows:

1. **Employment:** City agrees to employ Employee as Deputy City Manager/Internal Services Director, in accordance with the following provisions:

(a) Employee shall serve as Deputy City Manager/Internal Services Director, and shall be responsible for managing and directing the operations of the Internal Services Division of the City Manager's Office in accordance with an agreed upon performance plan.

(b) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

(c) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with his reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

(d) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate his full energies and qualifications to his employment as Deputy City Manager/Internal Services Director, and shall not engage in any other employment except as may be specifically approved in writing in advance by the City Manager.

2. **Maintenance of Professional Expertise:** To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary constraints: maintain membership in professional organizations related to city management administration and related professional disciplines; attend workshops, seminars and other similar activities designed to advance Employee's professional development; and, represent the City in professional associations and other organizations.

3. **Term:** The term of the Agreement shall be for a period of two (2) years, commencing December 12, 2005, until terminated by either party in accordance with the provisions set forth in Paragraph 4, or until terminated by the event of the death or permanent disability of Employee. The Agreement may be renewed, under terms mutually agreed by the parties, no later than eighteen (18) months after commencement of Employee's employment with City.

4. **Resignation or Termination:**

(a) Employee may resign at any time and agrees to give City at least 30 days advance written notice of the effective date of his resignation. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(b) The parties recognize and affirm that Employee may be terminated by the City Manager with cause, which shall mean gross insubordination, incapacity, dereliction of duty, conviction of a crime involving acts of moral turpitude or involving personal gain to him, or material breach of this Agreement. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(c) The parties recognize and affirm that Employee may be terminated by the City Manager without cause. In such event, Employee shall be entitled to severance pay as provided in Paragraph 5 herein.

(d) In the event of termination and in recognition of Employee's professional status and integrity, Employee and the City Manager shall prepare a joint public statement to be made by the City Manager. This employment relationship is based on the mutual respect between the parties and a desire to maintain the highest degree of professionalism. In communicating with third parties about the parties' employment relationship and the circumstances under which it may have been severed, the parties shall (a) protect and advance their mutual respect and professionalism, and (b) refrain from making statements that would negatively impact either party.

(e) Employee may choose to resign or retire his office instead of being terminated if agreed to by the City Manager. In such an event the public announcement, as provided for in Paragraph 4 (d) above, will note Employee has resigned or retired. The provisions of Paragraph 4 (d) shall remain applicable.

5. **Severance Pay:** If Employee is terminated by the City Manager without cause while still willing and able to perform the duties of Deputy City Manager/Internal Services Director, City agrees to pay Employee a cash payment equal to six (6) months' aggregate salary and the City's cost of six (6) months' health insurance benefits subject to reduction as set forth in this Paragraph 5. The severance payment will be paid over time at the same time as other employees of the City are paid and subject to customary withholdings. In the event Employee



retains new employment during the six month severance period, any remaining severance payment will be forfeited as of the date Employee begins his new Employment. To be eligible for such severance pay, Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City. Payment under this paragraph will release City from any further obligations under this Agreement, or any other transaction between the parties

6. **Employment as Department Head is Sole Employment with City:** Employee further represents and acknowledges that his employment as Deputy City Manager/Internal Services Director is his sole and exclusive employment with the City. Employee has no right to any other exempt position with the City, or to any employment in the classified service.

7. **Salary:**

(a) City agrees to pay Employee \$119,556.00 in salary per annum for his services, payable in installments at the same time as other employees of the City are paid and subject to customary withholding.

(a) Thereafter, a salary increase of up to five percent (5%) may be granted by the City Manager after twelve (12) months of employment and a satisfactory performance evaluation.

8. **Benefits:** The City shall provide Employee the same benefits as provided to management employees in accordance with the terms of the Executive Management Statement of Benefits dated 1998 and as they may be amended, increased or decreased, except as modified herein. These are the sole and exclusive benefits to be provided to Employee. Any improvement or modification of such benefits may only be made by written instrument signed by the City Manager. As used herein, benefits include, but are not limited to: vacation, sick leave, holidays, administrative leave, retirement, vision insurance, health insurance, dental insurance, long term disability insurance and life insurance. Employee's vacation leave shall be calculated as if Employee was in his sixth year of employment (i.e., Employee shall accrue fifteen days of vacation per year increasing from there as provided in the Executive Management Statement of Benefits.) Employee will also earn and accumulate sick leave and vacation as provided in the Executive Management Statement of Benefits.

9. **Performance Evaluation:** The City Manager shall review and evaluate the performance of Employee each year and set goals and objectives for the ensuing year. Such review and evaluation shall be in accordance with specific criteria developed in the performance plan in consultation with Employee and the City Manager.

10. **Assignment:** Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Manager.

11. **Authority to Work in the United States:** Employee represents, under penalty of perjury, that he is authorized to work in the United States. In accordance with §274A (8 USC 1324) of the Immigration Reform and Control Act of 1986 before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that he

is legally entitled to work in the United States, and must execute the verification required by that Act.

12. **Cell Phone/Vehicle:** Employee will be provided with a Cell Phone for employment related use at the City's expense on terms consistent with other Executive Managers. Employee will also be provided with access to the Administration Pool Car for work related use on an as available basis.

13. **Notice:** All notices required herein shall be sent first class mail to the parties as follows:

To **CITY:** City of Lodi  
P. O. Box 3006  
Lodi, CA 95241-1910

To **EMPLOYEE:** James Krueger  
1976 Carmel Circle,  
Lodi, California 95242

Notice shall be deemed effectively served upon deposit in the United States mail.

14. **Entire Agreement:** This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any party hereto. This Agreement may only be amended by written instrument signed by Employee and the City Manager and specifically approved by the City Council in open session.

{CONTINUED ON NEXT PAGE}

**15. Severability:** If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

**IN WITNESS WHEREOF**, the parties have executed this Agreement the day and year written above.

EMPLOYEE

By: James R. Krueger  
James Krueger

CITY OF LODI, a municipal corporation

By: \_\_\_\_\_  
Blair King  
City Manager

ATTEST:

By: \_\_\_\_\_  
Susan Blackston  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Steve Schwabauer  
City Attorney

## **POSITION DESCRIPTION**

### **DEPUTY CITY MANAGER/ INTERNAL SERVICES MANAGER**

**DEPUTY CITY MANAGER/INTERNAL SERVICES DIRECTOR****DEFINITION**

Under the direction of the City Manager, plans, coordinates, and organizes the overall administrative functions of the City. Provides direction, management, and coordination of activities for the Human Resources, Budget/Revenue/Treasury, Financial Services, and Information Systems Divisions, and represent the City in employee relations. Foster cooperative working relationships with community groups, inter-governmental agencies, and staff; and provides staff assistance to the City Manager and City Council.

**DISTINGUISHING CHARACTERISTICS**

This single position classification is a management level position in the City Manager's office. This position is responsible for assisting the City Manager in developing, planning, implementing, and administering City-wide goals and objectives as well as policies and procedures necessary to provide City services. This position may be assigned overall administrative responsibility for all City activities in the absence of the City Manager.

**EXAMPLES OF DUTIES**

Duties may include, but are not limited to the following:

**Administrative Functions:**

- Provides assistance and advice to the City's management staff; coordinates inter-departmental activities as well as City activities with outside agencies and organizations.
- Assists the City Manager in the development and administration of the City's budget; analyzes and forecasts City revenues and expenditures; monitors expenditures.
- Directs, oversees, and participates in a variety of activities within the City Manager's Office; assigns work activities, projects, and programs; monitors work flow; reviews and evaluates work products, methods, and procedures.
- Performs or supervises comprehensive management analyses in a wide range of municipal policies, organization, procedures, budgetary, and finance areas; prepares and presents staff reports and other necessary correspondence.
- Meets with members of the public including members of the business community and citizen groups to develop programs and implement projects to solve city service problems and explain City policies, procedures, goals, and objectives; negotiates agreements and resolves difficult City administration related problems and questions.
- Provides staff assistance to the City Council, committees, commissions, and the City Manager in matters related to a wide variety of City administration activities and programs.
- Reviews and responds to citizen complaints or requests for information; oversees the preparation of City publications.

**Human Resources Functions:**

- Manages all activities throughout the City related to the broad function of human resources. This includes the monitoring of recruitment and selection, position control, classification and compensation, benefits administration, equal opportunity, management development, performance appraisal, risk management functions, labor relations, negotiations, general audits, and administration of agreements with employee organizations.

**Finance Functions:**

- Fiscal management, budget process and preparation, administration and operation of the City's finance divisions which include Accounting, Utility Billing & Collections, Purchasing, and Budget/Revenue/Treasury. The incumbent is responsible for formulating financial policy, and managing the day-to-day financial operations of the City.

**Information Systems Functions:**

- Coordinates the implementation of information systems to achieve City-wide goals and objectives. Recommends long-term plans and strategies for effective utilization of information technology systems. Monitors management systems, work flow analysis, and reviews and evaluates existing programs, and procedures. Oversees contract negotiations and authorizes final contract agreements with vendors for implementation.

**MINIMUM QUALIFICATIONS:****Knowledge of:**

- Modern and highly complex principles and practices of municipal government administration, organization development, economic development functions and services.
- Principles of personnel administration, supervision, and training.
- Methods and techniques of public administration research, analysis, and report preparation.
- Principles and practices of municipal budget preparation and administration.
- Pertinent Federal, State, and local laws, codes, and regulations.

**Ability to:**

- Select, supervise, train, and evaluate professional staff.
- Interpret applicable laws, rules, and regulations.
- Prepare and analyze fiscal and organizational reports, statements, and correspondence.
- Analyze, interpret, summarize, and present administrative and technical information and data in an effective manner.
- Develop, prepare, and administer a large municipal budget.
- Establish and maintain cooperative working relationships with City Council members, staff, committee members, public officials, business leaders, and the general public.
- Communicate clearly and concisely, both orally and in writing.

## **EDUCATION AND EXPERIENCE**

Any combination equivalent to experience and education that would likely provide the required knowledges and abilities would be qualifying. A typical combination is:

### **Education:**

Possession of a Bachelor's degree from an accredited college or university, with major course work in public administration, finance or a closely related field. A Master's degree in public administration is highly desirable.

### **Experience:**

- Ten years of management experience and four of those years must demonstrate experience in financial management and human resources, preferably in a public agency or governmental setting.

## **LICENSES AND CERTIFICATES:**

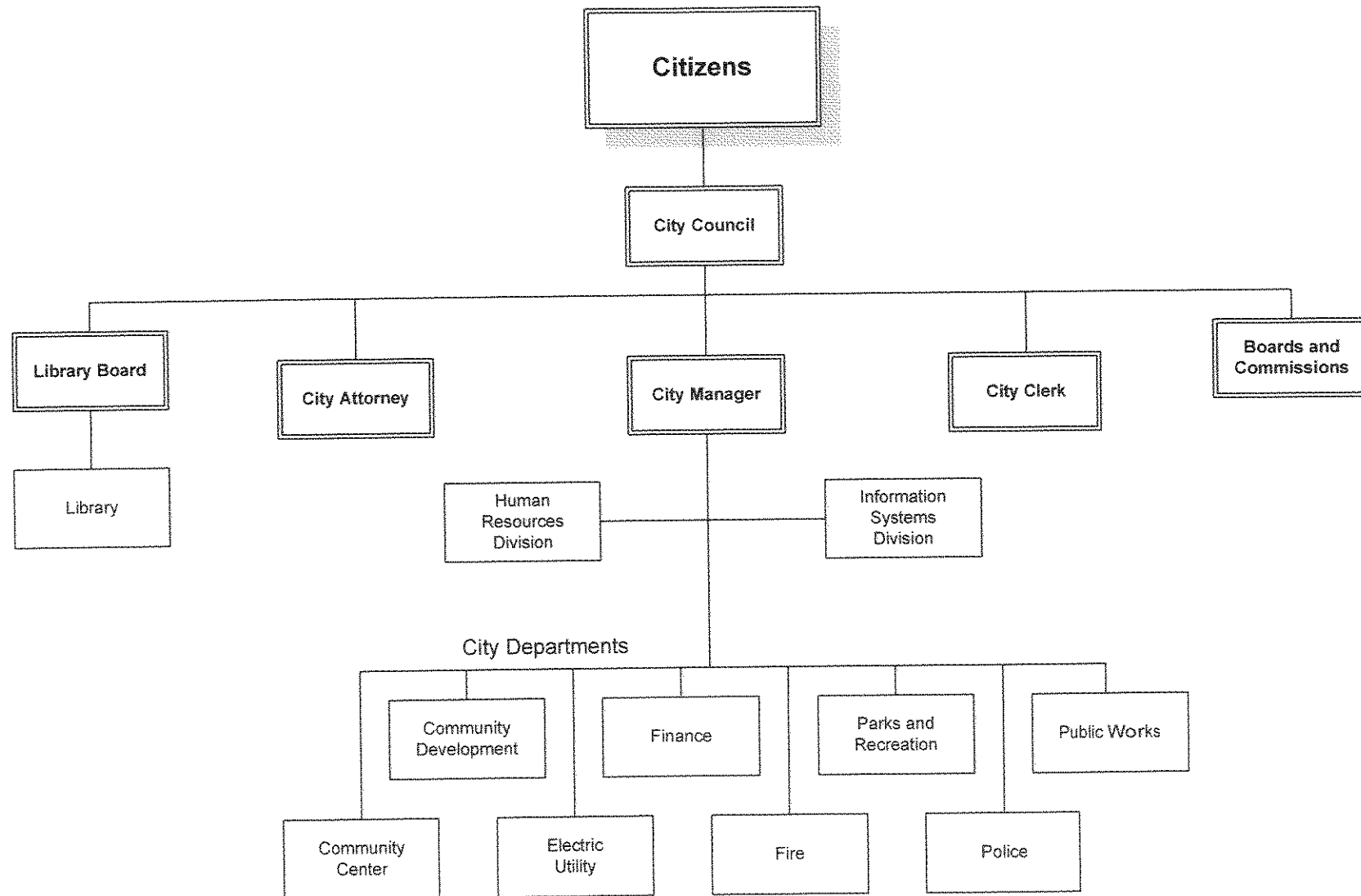
- Possession of an appropriate, valid Driver's License from the California Department of Motor Vehicles.

# **CURRENT ORGANIZATIONAL CHARTS**



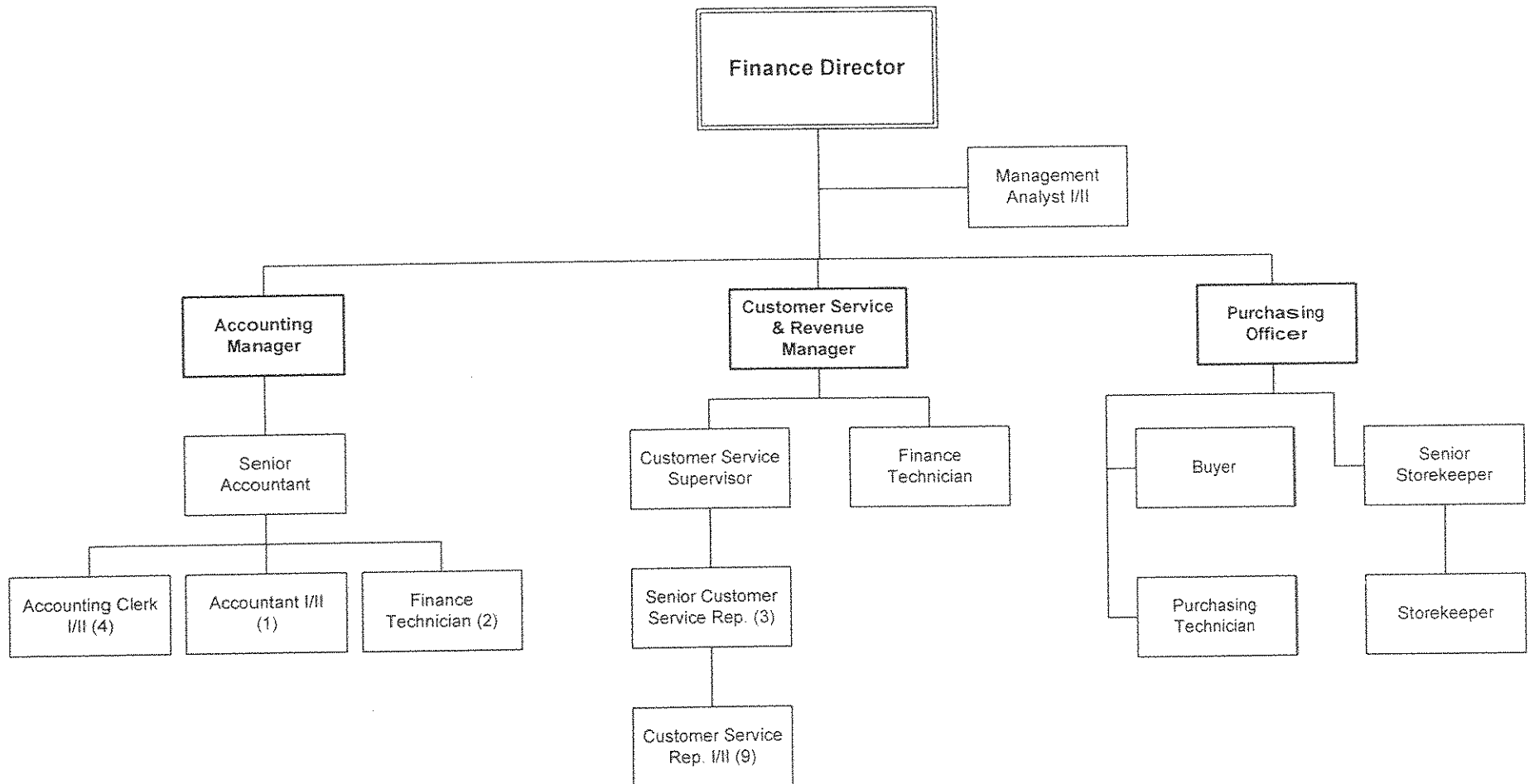
# City of Lodi

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# Finance Department

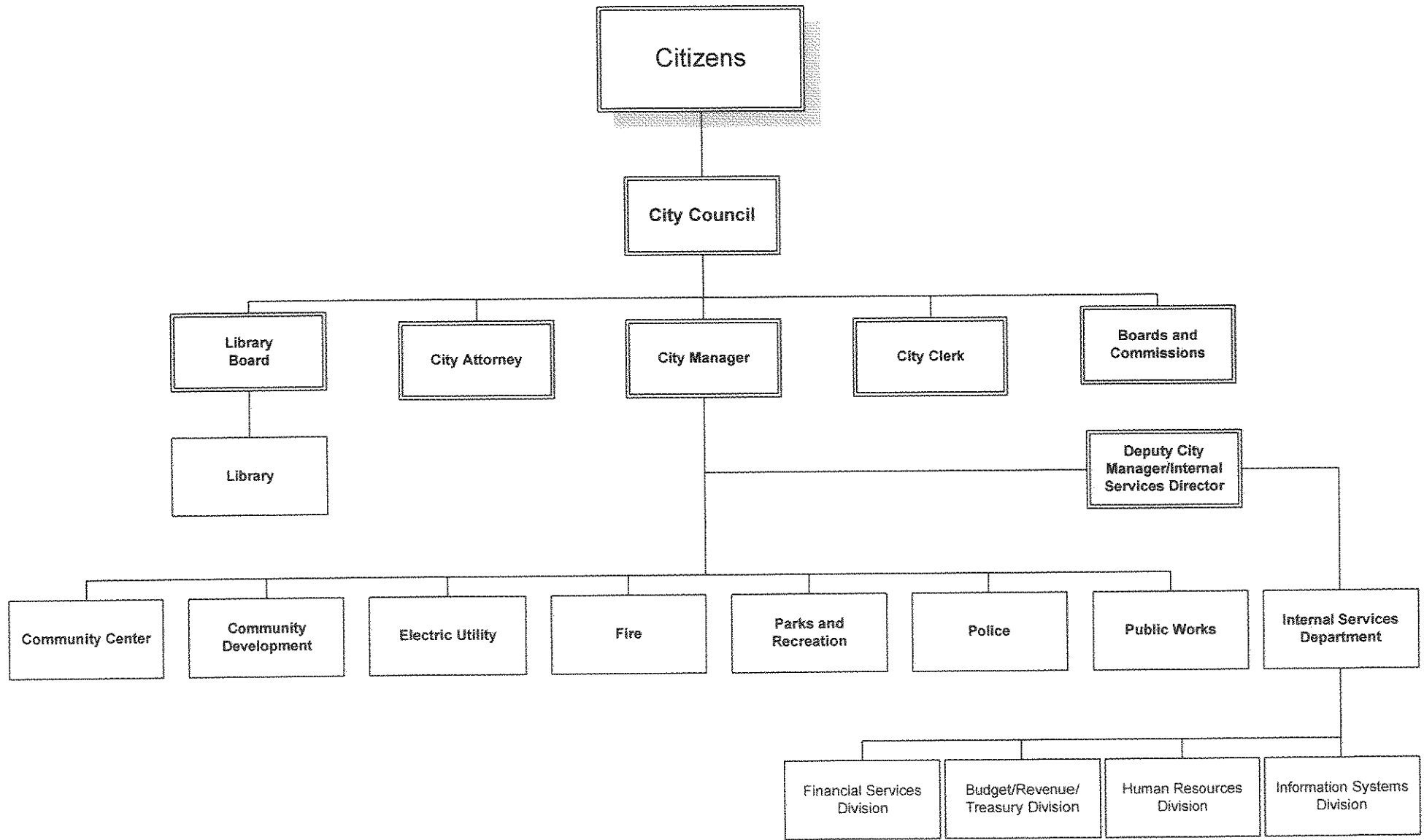
294



May 2005

# **PROPOSED ORGANIZATIONAL CHARTS**

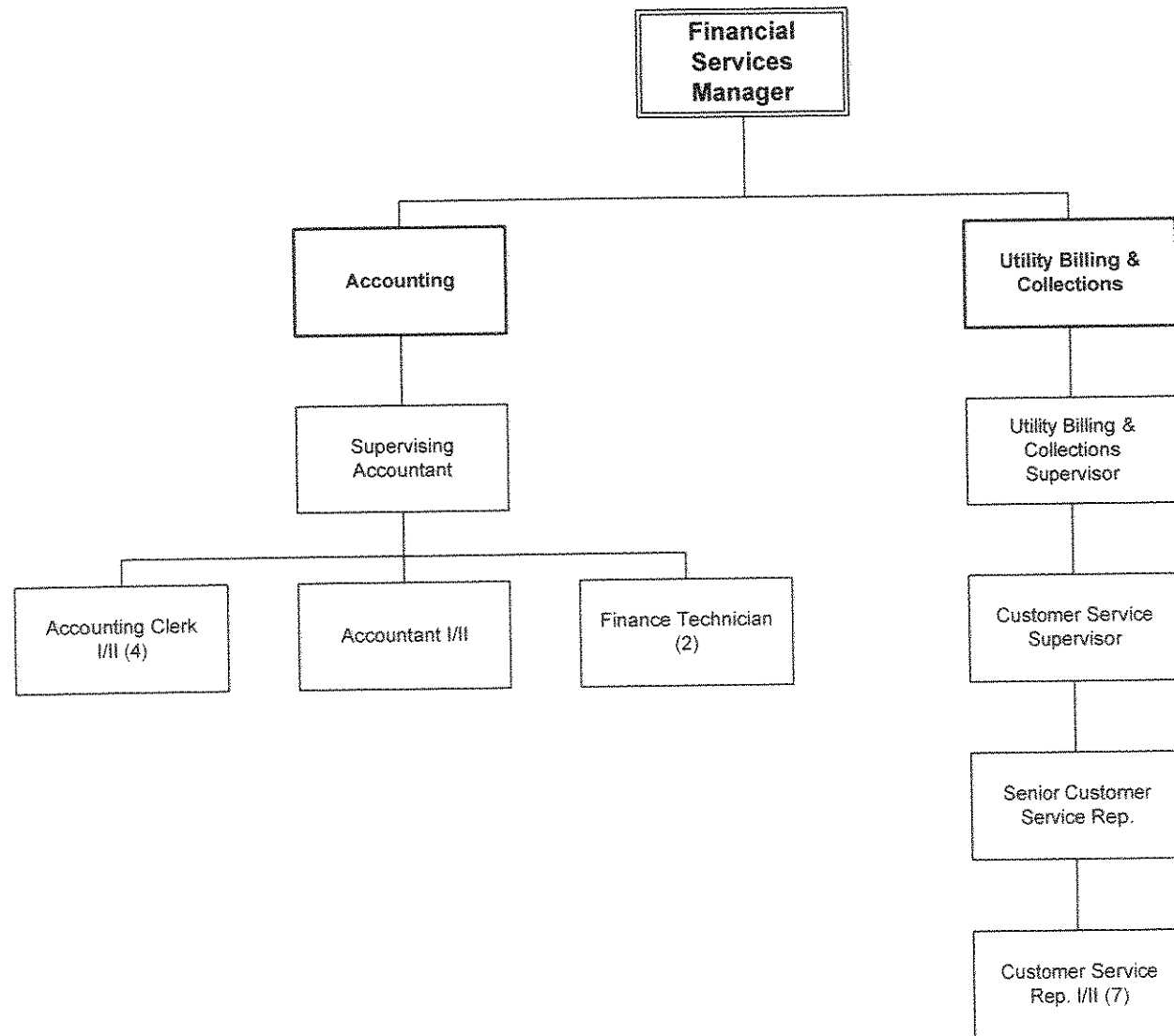
# City of Lodi



12/21/05

# Financial Services Division

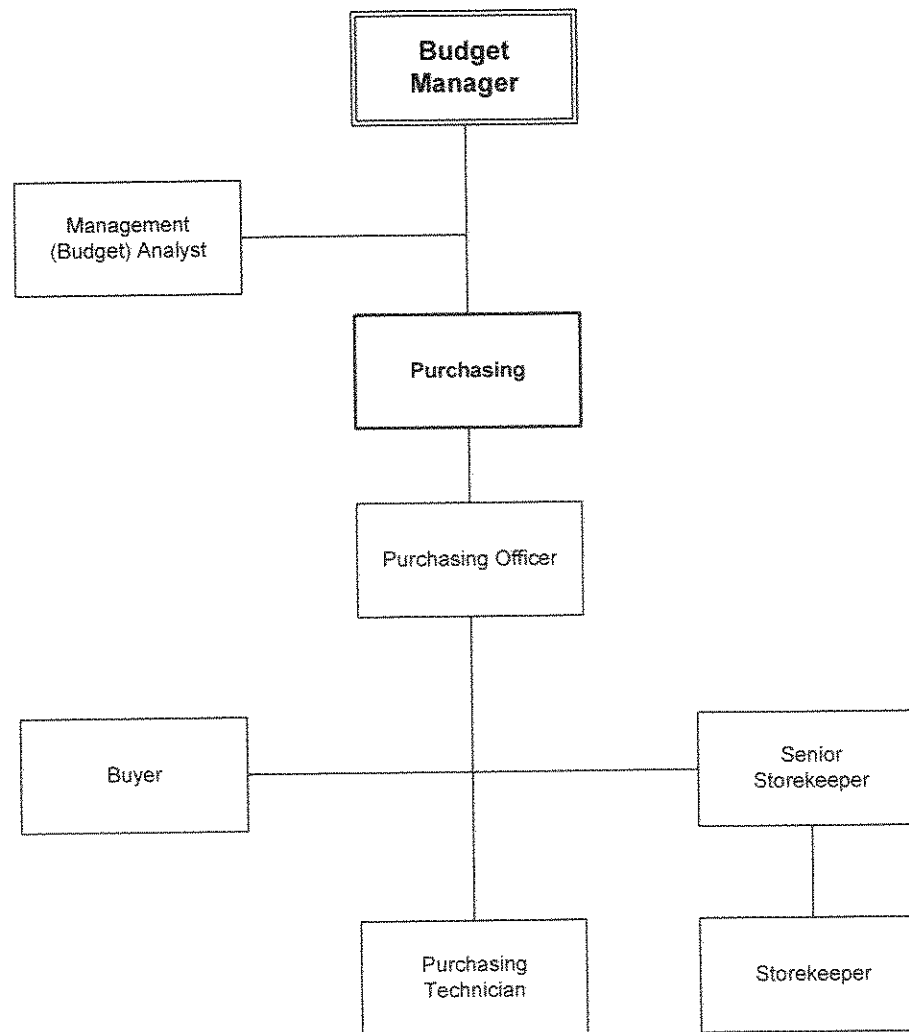
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12/21/05

# Budget/Revenue/ Treasury Division

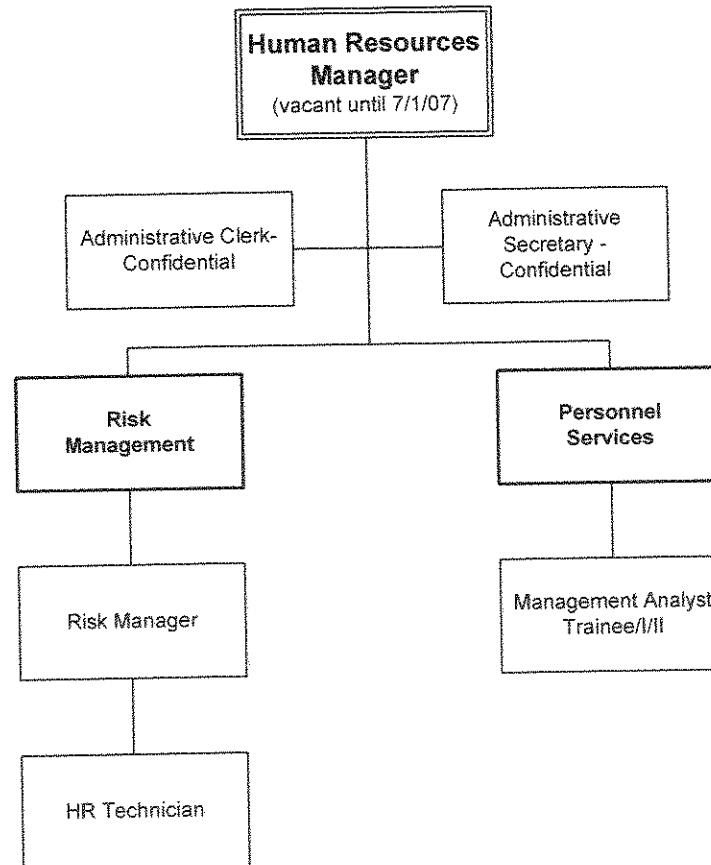
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12/21/05

# Human Resources Division

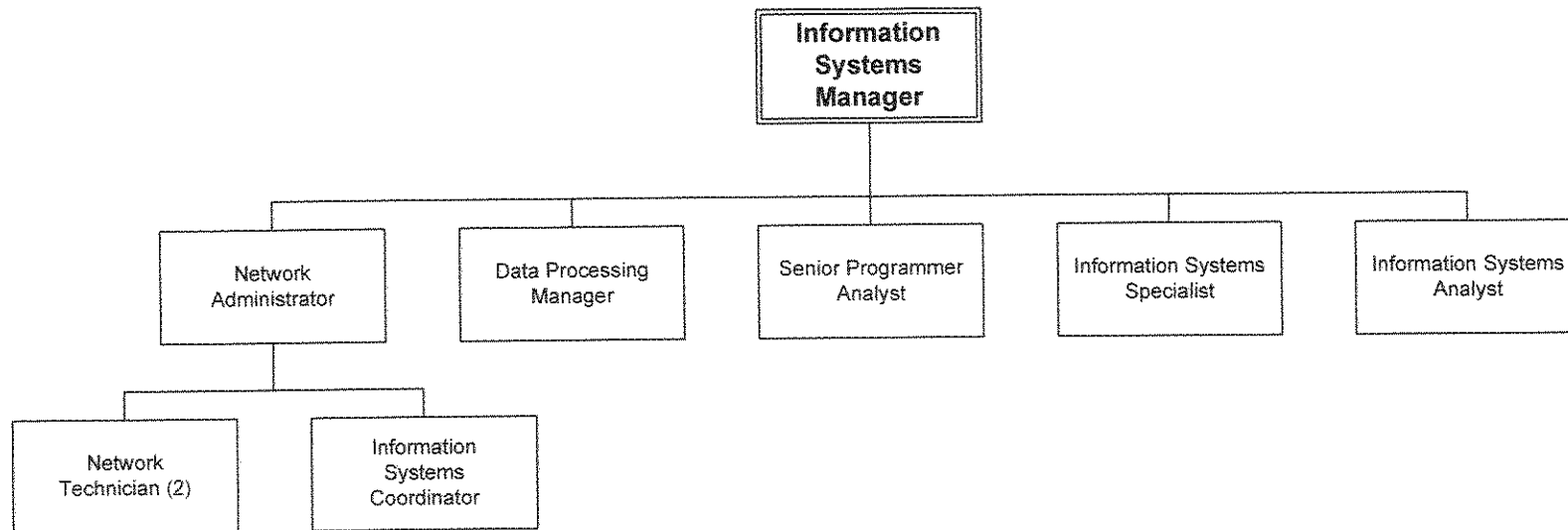
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12/21/05

# Information Systems Division

300



12/21/05





## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Introduce Ordinance Amending Lodi Municipal Code Relating to the Establishment of Wastewater Development Impact Fees by Amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.12, "Sewer Service," by Repealing and Reenacting Sections 13.12.020 (5) and (45), 13.12.180 (A), and 13.12.190; and Further Amending Title 15 – Buildings and Construction – Chapter 15.64, "Development Impact Mitigation Fees," by Amending Section 15.64.10 – Adding New Paragraph "F" and Relettering Paragraphs (G) and (H) – Repealing and Reenacting Sections 15.64.030 (A) and 15.64.040, Amending Section 15.64.060 – Adding Paragraph "C" – and Repealing and Reenacting Section 15.64.070 (B)

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council introduce an ordinance amending Lodi Municipal Code relating to the establishment of Wastewater Development Impact fees by amending Lodi Municipal Code Title 13 – Public Services – Chapter 13.12, "Sewer Service," by repealing and reenacting Sections 13.12.020 (5) and (45), 13.12.180 (A), and 13.12.190; and further amending Title 15 – Buildings and Construction – Chapter 15.64, "Development Impact Mitigation Fees," by amending Section 15.64.10 – adding new paragraph "F" and relettering paragraphs (G) and (H) – repealing and reenacting Sections 15.64.030 (A) and 15.64.040, amending Section 15.64.060 – adding paragraph "C" – and repealing and reenacting Section 15.64.070 (B).

**BACKGROUND INFORMATION:** The proposed amendments to the Municipal Code implement changes to the way wastewater capacity impact fees will be charged to new development for capacity at the White Slough Water Pollution Control Facility (WSWPCF) and facilities at the Municipal Service Center (MSC).

This is a one-time fee on new development or improvements that increase loading on WSWPCF. The actual fee will be adopted by resolution following adoption of the ordinance amendments.

Background information on the proposed fee update was presented to the Council at a special meeting on November 22, 2005, at which time the Council set a public hearing for January 4, 2005. This staff report focuses only on the proposed changes to the Municipal Code which will combine the City's separate wastewater impact fee, which primarily covers costs for expansion of the MSC, and the capacity fee. This was done to simplify the fee system to only have one sewer development fee.

The proposed changes also specify when impact fees are to be paid – with the building permit. Previously these fees were collected at various times – map filing, improvement agreement, acceptance of public improvements and with building permits. This change will make this process more consistent. The only exceptions would be for the few cases in which improvements that trigger fee payment do not require a building permit, or as may be otherwise provided in a development agreement.

**FISCAL IMPACT:** Not applicable with this action.

**FUNDING AVAILABLE:** Not applicable.

\_\_\_\_\_  
Richard C. Prima, Jr.  
Public Works Director

RCP/pmf  
cc: Interested Parties

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI AMENDING LODI MUNICIPAL CODE TITLE 13 – PUBLIC SERVICES, CHAPTER 13.12 “SEWER SERVICE,” BY REPEALING AND REENACTING SECTIONS 13.12.020 (5) and (45), 13.12.180 (A), AND 13.12.190; AND FURTHER AMENDING TITLE 15 – BUILDINGS AND CONSTRUCTION, CHAPTER 15.64 “DEVELOPMENT IMPACT MITIGATION FEES” BY AMENDING SECTION 15.64.10 - ADDING NEW PARAGRAPH “F” AND RELETTERING PARAGRAPHS (G) and (H), REPEALING AND REENACTING SECTIONS 15.64.030 (A) AND 15.64.040, AND AMENDING SECTION 15.64.060 ADDING PARAGRAPH “C”, AND REPEALING AND REENACTING SECTION 15.64.070 (B) RELATING TO THE ESTABLISHMENT OF WASTEWATER DEVELOPMENT IMPACT FEES

=====

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

Section 1. Lodi Municipal Code Title 13, “Public Services,” Chapter 13.12, “Sewer Service,” is hereby amended by repealing and reenacting Sections 13.12.020 (5) and (45), 13.12.180 (A), and 13.12.190, and shall read as follows:

**13.12.020 Definitions.**

5. “Capacity” or “Impact fee” means a charge as described in this chapter, levied on construction, or on new, expanded or ongoing activity, which uses POTW capacity and other wastewater facilities associated with growth. The fee is normally paid at the time of issuance of a building permit.
45. “Sewage service unit or SSU” is defined as each increment of flow equal to the flow from an average two-bedroom residence (~~two hundred and six~~ one hundred and ninety-four gallons per day) and having a strength less than three hundred milligrams per liter BOD and SS.

**13.12.180 Domestic system service charges.**

- A. Basis. Charges for use of the domestic system shall be determined by the volume, biochemical oxygen demand (BOD) and suspended solids (SS) of wastes discharged. In addition, charges for preparation and maintaining the Sewer Master Plan, expansion of the Public Works Administration Building and expansion of the Public Works Storage Facilities are allocated based upon volume, BOD and SS.

**13.12.190 Domestic system capacity or impact fees.**

The capacity fee shall cover the capital cost associated with the POTW capacity ~~which will be utilized by the discharger~~ and the planning, financing, acquisition and development of other services and facilities directly related to the utilization of capacity by the discharger. Any actual costs incurred by the city in making the physical connection (tap) shall be separate and in addition to the capacity fee described in this section.

- A. Moderate-strength user capacity fees shall be based on a rate per sewage service unit as assigned under Section 13.12.180. The capacity fee for a new commercial or industrial user shall be a minimum of one sewage service unit, and additions or modifications shall be prorated to fractions of sewage service units.
- B. High-strength user capacity fees shall be based on a unit rate for flow, BOD and SS. The estimated annual quantities of each characteristic shall be justified to, and approved by, the Public Works Director for the purpose of determining the capacity fee.
- C. City projects and projects funded by the City are exempt from capacity fees as described in this section.

Section 2. Lodi Municipal Code Title 15, "Buildings and Construction," Chapter 15.64 "Development Impact Mitigation Fees," is hereby amended by amending §15.64.10 adding new paragraph F and relettering paragraphs G and H, repealing and reenacting §§15.64.030 (A) and 15.64.040, and amending §15.64.060 adding paragraph (C), and repealing and reenacting §15.64.070 (B), and shall read as follows:

**15.64.010 Findings and purpose.**

- F. The specific improvements and costs for wastewater capacity impact fees are described in the City of Lodi Wastewater Capacity Fees Analysis prepared for the City by Hilton, Farnkopf & Hobson, LLC, dated August 15, 2005, and the Development Impact Fee Update Study prepared for the City by Harris & Associates, dated October 2001, copies of which are on file with the City Clerk. The calculation of the fee is presented in Title 13, Chapter 13.12 of the Lodi Municipal Code.
- G. New development will generate new demand for facilities which must be accommodated by construction of new or expanded facilities. The amount of demand generated and, therefore, the benefit gained, varies according to kind of use. Therefore, a "residential acre equivalent" (RAE) factor was developed to convert the service demand for general plan based land use categories into a ratio of the particular use's rate to the rate associated with a low-density, single-family dwelling gross acre. The council finds that the fee per unit of development is directly proportional to the RAE associated with each particular use.
- H. The city has previously approved various development projects which have made significant financial expenditures towards completion, including the payment of the then current development impact mitigation fees; but have not obtained a building permit. The city council finds and declares that such projects should be allowed to proceed without the imposition of new development impact mitigation fees imposed under this chapter.

**15.64.030 Development impact funds.**

- A. The city finance director shall create in the city treasury the following special interest-bearing trust funds into which all amounts collected under this chapter shall be deposited:

  - 1. Water facilities;
  - 2. Sewer facilities:
    - ~~a. General sewer facilities;~~
    - ~~b. Kettleman Lane lift station;~~
    - ~~c. Harney Lane lift station;~~
    - ~~d. Cluff Avenue lift station;~~
  - 3. Storm drainage facilities;
  - 4. Street improvements;
  - 5. Police facilities;
  - 6. Fire facilities;
  - 7. Parks and recreation facilities;
  - 8. General city facilities and program administration.

#### **15.64.040 Payment of Fees.**

- A. The property owner of any development project causing impacts to public facilities shall pay the appropriate development mitigation fee as provided in this chapter. The amount shall be calculated in accordance with this chapter and the program fee ~~per residential acre equivalent~~ as established by council resolution.
- B. When such payment is required by this chapter, no ~~final subdivision map~~, building permit or ~~site development grading~~ permit shall be approved for property within the city unless the development impact mitigation fees for that property are paid or guaranteed as provided in this chapter.
- C. The fees shall be paid ~~with before~~ the approval of a final subdivision map, building permit or ~~site development grading~~ permit, whichever occurs first except as provided in subsection (E) or (F) of this section.
- D. If a final subdivision map has been issued before the effective date of the ordinance codified in this chapter, then the fees shall be paid before the issuance of a building permit or grading permit, whichever comes first except as exempted under Section 15.64.110 of this chapter.
- E. Where the development project includes the installation of public improvements, the payment of fees established by this chapter may be deferred and shall be collected prior to acceptance of the public improvements by the city council. Payment of all deferred fees shall be guaranteed by the owner prior to deferral. Such guarantee shall consist of a surety bond, instrument of credit, cash or other guarantee approved by the city attorney.
- F. The fees may not be prepaid unless specified otherwise in a fee payment agreement or development agreement approved by the City Council.
- G. Notwithstanding the above, City may collect subsequent increases in impact fees or new impact fees, unless the development project is exempt from fee increases under the terms of a fee payment agreement approved by Council, a Development Agreement approved by Council or California law.

#### **15.64.060 Calculation of fees.**

- C. Sewer fees shall be calculated and collected per LMC 13.12.

## 15.64.070 Residential acre equivalent factor.

B. The residential acre equivalent (RAE) factors are as set out in the following table.

Land Use Categories	Water RAE	<del>Sewer RAE</del>	Storm Drainage RAE	Streets RAE	Police RAE	Fire RAE	Parks & Recreation RAE	General Facilities RAE
<b>RESIDENTIAL</b>								
Low Density	1.00	<del>1.00</del>	1.00	1.00	1.00	1.00	1.00	1.00
Medium Density	1.96	<del>1.96</del>	1.00	1.96	1.77	1.96	1.43	1.43
High Density	3.49	<del>3.49</del>	1.00	3.05	4.72	4.32	2.80	2.80
East Side Residential	1.00	<del>1.00</del>	1.00	1.00	1.09	1.10	1.10	1.10
<b>PLANNED RESIDENTIAL</b>								
Low Density	1.00	<del>1.00</del>	1.00	1.00	1.00	1.00	1.00	1.00
Medium Density	1.96	<del>1.96</del>	1.00	1.96	1.77	1.96	1.43	1.43
High Density	3.49	<del>3.49</del>	1.00	3.05	4.72	4.32	2.80	2.80
<b>COMMERCIAL</b>								
Retail Commercial	0.64	<del>0.94</del>	1.33	2.08	4.12	2.69	0.32	0.89
Office Commercial	0.64	<del>0.94</del>	1.33	3.27	3.72	2.46	0.54	1.53
<b>INDUSTRIAL</b>								
Light Industrial	0.26	<del>0.42</del>	1.33	2.00	0.30	0.64	0.23	0.64
Heavy Industrial	0.26	<del>0.42</del>	1.33	1.27	0.19	0.61	0.33	0.93

Section 3 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

Section 5. This ordinance shall be published one time in the "Lodi News Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi, and shall be in force and take effect 30 days from and after its passage and approval.

Attest:

Approved this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
SUSAN BLACKSTON  
City Clerk

\_\_\_\_\_  
SUSAN HITCHCOCK  
Mayor

State of California  
County of San Joaquin, ss.

I, Susan J. Blackston, City Clerk of the City of Lodi, do hereby certify that Ordinance No. \_\_\_\_\_ was introduced at a regular meeting of the City Council of the City of Lodi held \_\_\_\_\_, 2005, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held \_\_\_\_\_, 2005, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. \_\_\_\_\_ was approved and signed by the Mayor of the date of its passage and the same has been published pursuant to law.

SUSAN J. BLACKSTON  
City Clerk

Approved as to Form:

D. STEPHEN SCHWABAUER  
City Attorney



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Discussion Regarding Project Nominations for San Joaquin Council of Governments' One Voice Trip

**MEETING DATE:** December 21, 2005

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** That the City Council discuss project nominations for the San Joaquin Council of Governments' One Voice trip.

**BACKGROUND INFORMATION:** The San Joaquin Council of Governments (COG) is developing regional priorities in preparation for the annual "One Voice" trip to Washington, D.C., in April 2006. A letter from SJCOG requesting input from the City of Lodi is attached, along with their evaluation criteria check list.

City staff has identified the following projects for consideration, noting that project readiness as indicated by scope, schedule, budget and matching funds is an issue in some cases. This list is not ranked in any priority or preference. A summary of all street projects shown in the current budget, including unfunded projects, is attached. Total project costs (preliminary) are as indicated. The grant request is limited to \$5 million, as noted in the COG evaluation check list.

- Police/Fire Training Facility – This project is described in the attached materials prepared by the Police and Fire Departments. This project has good linkage to the San Joaquin Delta College North County campus project. (\$5.5 million)
- Highway 99/12 Interchange Improvements – The City has completed Phase 1 of this project (signals, relocation of Beckman Road intersection) and has initiated preliminary engineering work on Phase 2 – widening Highway 12 (Kettleman Lane) under Highway 99 and ramp capacity improvements. Funding this project will be an issue and it will likely need to be a combination of Federal, State and Local funds (as would be the case for any major roadway improvement project). (\$20 million)
- Other Highway 99 Interchange Improvements – Ramp/Interchange improvements at Turner Road (\$40 million), Victor Road (Highway 12 East) (\$36 million) and Harney Lane (\$20 million) will all be needed at some point in the future, possibly in conjunction with the North County Delta College campus. Conceptual improvements at Harney Lane have been identified as part of development of the northwest quadrant, while little work has been done at the other interchanges.
- Lockeford Street Widening – This project is an element of the Central City Rail Safety Project, and right-of-way acquisition from the railroad is in progress. Phase 1 improvement – west of Stockton Street is funded in the capital budget, while Phase 2 – Stockton Street to Cherokee Lane is not. (\$1.9 million)
- Lodi Avenue Improvements – This project is also following up on the Central City Rail Safety Project in that the railroad tracks in the street are no longer in service. While the City can fund a

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

maintenance overlay on the remainder of the street, similar to what was done to cover the tracks, a major rehabilitation and upgrade of the street is not funded in the near future. (\$2.2 million)

- MSC Vehicle Maintenance Facility – The facility is operating past capacity with several larger vehicles having to currently be maintained outside in the shop yard because they do not fit into the shop bays. This project has some funding included in the City budget, however, we have assumed some funding through the utilities. This project is currently included in the SJCOG Federal Transportation Improvement Program for Federal Transit Administration Section 5307 funding. (\$2.2 million)

Staff also notes that SJCOG is recommending “Neighboring Landowner protection for the San Joaquin Multi-species Habitat Conservation Program” as a regional priority. Since this program is one mechanism to help protect open space and agricultural lands, making this a Lodi priority would be appropriate.

**FISCAL IMPACT:** Not applicable.

**FUNDING AVAILABLE:** Not applicable.

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Richard C. Prima, Jr.  
Public Works Director

RCP/pmf

Attachments





SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202

209.468.3913 • 209.468.1084 (fax)

[www.sjcog.org](http://www.sjcog.org)

November 1, 2005

Gary L. Haskin  
CHAIR

John Harris  
VICE CHAIR

Andrew Chesley  
INTERIM EXECUTIVE  
DIRECTOR

Member Agencies

CITIES OF  
ESCALON,  
LATHROP,  
LODI,  
MANTECA,  
RIPON,  
STOCKTON,  
TRACY,  
AND  
THE COUNTY OF  
SAN JOAQUIN

Mayor John Beckman  
City of Lodi  
221 W. Pine Street  
Lodi, CA 95240

Dear Mayor Beckman:

The San Joaquin Council of Governments is once again putting together a regional list of legislative priorities for the annual San Joaquin One Voice trip to be held April 2 – 7, 2006.

This year, we ask that your jurisdiction submit two projects:

- one Regional Transportation project; and
- one Local Transportation project or one Local Non-transportation project

Instructions and checklists are included to help in project selection and submission. Keep in mind that we need each section of the appropriations forms answered completely. It is important that we provide detailed information about our projects, particularly the description and local/state contributions that will be applied to the project, as this information is critical when federal funding decisions are being made.

The San Joaquin Council of Governments will be recommending the following Regional Projects to the list:

- Arch-Sperry Road Improvement Project
- Neighboring Landowner protection for the San Joaquin Multi-species Habitat Conservation Program

We request that your staff complete the enclosed form and checklists for each project and submit to our office by **January 10, 2006**. Please mail the forms to SJCOG, attn: Susan Filios, 555 E. Weber Avenue, Stockton, CA 95202. A CD is enclosed that includes an electronic version of the form, checklists and instructions. If you have questions, please call Ms. Filios at 468-3913, or by e-mail to [sfilios@sjcog.org](mailto:sfilios@sjcog.org).

NOV 04 2005  
CITY MANAGER'S OFFICE

Page 2

Please be aware that each local jurisdiction may also endorse a project by a third party organization or non-profit to be considered by the SJCOG Board for inclusion on the regional list. These projects would need to go before your board or council and approved prior to submission to the San Joaquin Council of Governments.

Your participation in San Joaquin One Voice is instrumental for our continued success. One Voice strengthens our ability to be heard as a unified delegation at the federal level.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew T. Chesley". The signature is fluid and cursive, with the first name "Andrew" written in a larger, more prominent script than the last name "Chesley".

ANDREW T. CHESLEY  
Interim Executive Director

cc: Councilmember Larry D. Hansen, SJCOG Board member  
Blair King, City Manager

**San Joaquin Council of Governments San Joaquin One Voice<sup>sm</sup>**  
**Evaluation Criteria Check List for Prioritizing**  
**Transportation Priority Projects for Federal Appropriations Requests**

**Name of Project:** \_\_\_\_\_

**Project Sponsor:** \_\_\_\_\_

**Criteria**

<b>Yes</b>	<b>No</b>	
<input type="checkbox"/>	<input type="checkbox"/>	1) Project approved as "Regional Priority" by jurisdictions/agency council or board
<input type="checkbox"/>	<input type="checkbox"/>	2) Project identified as transportation or transit
<input type="checkbox"/>	<input type="checkbox"/>	3) Project identified as a prior regional priority
<input type="checkbox"/>	<input type="checkbox"/>	4) Project scope outlined
<input type="checkbox"/>	<input type="checkbox"/>	5) Project schedule outlined
<input type="checkbox"/>	<input type="checkbox"/>	6) Project budget outlined
<input type="checkbox"/>	<input type="checkbox"/>	7) Matching funds and source of funds identified
<input type="checkbox"/>	<input type="checkbox"/>	8) Project partnerships identified
<input type="checkbox"/>	<input type="checkbox"/>	9) Regional project benefits identified
<input type="checkbox"/>	<input type="checkbox"/>	10) Project with a cap of no more than \$5 million federal funding request per appropriations cycle
<input type="checkbox"/>	<input type="checkbox"/>	11) Federal funding request linked to phase of project it will fund
<input type="checkbox"/>	<input type="checkbox"/>	12) Project with identified federal funding source

**San Joaquin Council of Governments San Joaquin One Voice<sup>sm</sup>  
Evaluation Criteria Check List for Prioritizing**

**Name of Project:** \_\_\_\_\_

**Project Sponsor:** \_\_\_\_\_

Criteria	Yes	No
1) Project proposed by city or county jurisdiction	<input type="checkbox"/>	<input type="checkbox"/>
2) Project coverage / outreach includes 1 or more jurisdictions	<input type="checkbox"/>	<input type="checkbox"/>
3) Project scope clearly defined and outlined	<input type="checkbox"/>	<input type="checkbox"/>
4) Project schedule identified	<input type="checkbox"/>	<input type="checkbox"/>
5) Project budget identified	<input type="checkbox"/>	<input type="checkbox"/>
6) Matching funds and source of funds identified	<input type="checkbox"/>	<input type="checkbox"/>
7) Regional project benefits identified	<input type="checkbox"/>	<input type="checkbox"/>
8) Project partners identified	<input type="checkbox"/>	<input type="checkbox"/>
9) Federal funding request linked to phase of project it will fund	<input type="checkbox"/>	<input type="checkbox"/>
10) Project with a cap of no more than \$5 million federal funding request per appropriations cycle	<input type="checkbox"/>	<input type="checkbox"/>
11) Project with identified federal funding source	<input type="checkbox"/>	<input type="checkbox"/>

APPROPRIATIONS REQUEST FORM FOR FISCAL YEAR 2007

**Lodi Police/Fire  
Public Safety Training Facility**

*The appropriations process is intensely competitive, on a national level: completion of a request does not guarantee funding. Additional forms may be required by the Appropriations Committee for all projects.*

**Organization making request:**

City of Lodi  
Lodi Police & Fire Department's  
221 West Pine Street  
Lodi, CA 95240

**Contact person(s) in organization:**

Blair King, City Manager (209) 333-6700  
Jerry Adams, Chief of Police (209) 333-6725  
Mike Pretz, Lodi Fire Chief (209) 333-6937

**Appropriations Bill/Subcommittee:** Homeland Security

**Department (if applicable):** \_\_\_\_\_

**Agency:** \_\_\_\_\_

**Agency subdivision, program, activity, account, through which this project would be funded:**

Homeland Security

**Project Name:** Lodi Public Safety Training Facility

**Amount being requested:** FY 2007: \$5,500,000.00

**Report language being requested (if any):** N/A

**Amount/policy in President's budget request for FY 2005 / 2006:** Not Known

**Federal funding history:** No funding history for City of Lodi.

**Did you make a similar request last year (for FY 2004)?** No request made by City of Lodi.

**Sources and amounts of matching funds:** San Joaquin Delta College will provide approximately \$15,000,000 of bond proceeds approved by voters for land acquisitions.

**Project Budget: \$5,500,000**

Preparation and construction costs associated with a Police & Fire Training Facility would include: a pistol/rifle range; emergency driving area, emergency ordinance disposal area; an area for training against weapons of mass destruction; classrooms for training Police & Fire Basic Academies.

**Relevant authorization law/bill/status:** Not Known

**Current status of project for which request is made:**

Strategic planning: meeting with City staff, Lodi City Council and Delta College staff and trustees.

**Background/Justification for this request:**

Currently the Lodi Police Department, the Lodi Fire Department and San Joaquin Delta College Police & Fire Training Academy, are lacking sufficient area and facilities to adequately train their personnel in firearms usage, weaponless defense skills, search & rescue operations, emergency vehicle operations, fire apparatus usage, explosives destruction and storage, as well as numerous other training issues.

The purpose of this facility would be to provide a "state-of-the-art" training facility to address those concerns listed above. The facility would provide a safe, full-scale training complex in which to train the members of the Lodi Public Safety community, students of San Joaquin Delta College, plus basic and advanced law enforcement and fire personnel from the region. The complex would also be made available, upon request, to other public safety agencies (State, local and Federal), to continue their essential, and mandatory, training needs. Building the facility would enhance cooperation, and working relationships, between the police and fire department areas. It would also provide lesser equipped agencies the highest quality of training available.

The complex would specifically address the areas of law enforcement and firearms training, fire fighting techniques, emergency vehicle operations, such as police vehicles and motorcycles, fire equipment, rescue vehicles and special operations vehicles. The facility would provide for explosives storage and demolition, canine training, physical fitness training and continuing training for "perishable skills" that require consistent use and education. The facility would be integrated into a larger Jr. College Satellite campus, with a Police and Fire Basic Training Academy.

The goal of this project would be to acquire, and construct, a training facility on forty (40) to eighty (80) acres of land, owned by San Joaquin Delta College. This amount of space would be large enough to address immediate training needs and provide for expanding future requirements of the public safety community. The facility/complex must address all areas of training for the various inter-departmental divisions; i.e., SWAT, Basic Academy, firearms, defensive tactics, driver's training, motorcycle training, canine, weapons of mass destruction, fire investigations, special vehicle operation and explosive related incidents. The construction of the facility would meet the needs of the Delta College Police Academy, the Lodi Police Department, the Lodi Fire Department and any allied agency requesting the opportunity to improve and develop a training program to provide the highest quality of service to the public.

The objectives of the facility/complex are to provide:

1. A "state-of-the-art" facility to benefit all participating members of the City and College.
2. A centrally located training area to outside agencies, in an area close enough to respond for calls for service without unnecessary delays.
3. An area of training remote enough not to conflict with other City functions and operations, and not to disrupt the public.
4. A well rounded training environment to adequately train all personnel in all the areas of training mandates and basic academy requirements.

The description of the facility, during the first phases of construction, would be to provide the following:

1. Several areas specifically designed for specialized training to including a pistol/rifle range and emergency vehicle driving course.
2. A classroom, multi-purpose room and support offices for the police academy.
3. A variety of out buildings to accommodate the needs of the training personnel.
4. An oversized parking lot and adequate fencing, lighting and security features to maintain the integrity of the facility. The oversized parking area will allow for personnel parking as well as driver's training exercises and special vehicle deployment training.
5. The facility would provide for "live-fire" ranges. The ranges would be constructed with the latest technology available to ensure complete safety for personnel being trained, staff and the public. The ranges would provide experience in "real world" scenarios that will better equip public safety personnel in successfully handling those calls for service that require specific, accurate and safe resolution.

The facility will also have an Explosive Ordinance Disposal (EOD) site, plus storage for explosive and hazardous components related to EOD investigation and training. The complex will also provide for training and familiarizing personnel with explosives, weapons of mass destruction and mass casualty incidents, while ensuring that student and public safety will be maintained.

The complex, when completed, will provide first responders and the public safety community, with training experience, and location, to adequately respond and successfully handle, calls for service relating to areas of terrorism; whether the threat is suspected or actual. The site selected will provide a centrally located north county area from which to respond, while allowing for a variety of response vehicles and limited aircraft.

From a fire prospective; since the early 1970's the Fire Service has gained increased responsibilities in the areas of emergency medical services, handling of hazardous materials, and technical rescue operations. The recent environment of threats from terrorism has served to multiply these factors. The City of Lodi is intersected by three major transportation routes, including interstate and state highways and the Union Pacific rail line. The community is also strategically located between two major urban port cities: Stockton (eight miles south), and Sacramento (30 miles north). In addition, there are several major air traffic routes to the San Francisco Bay Area that traverse over the region.

There are currently seventeen (17), fire agencies within San Joaquin County. There is only one multi-purpose training facility. It is owned by the Stockton Fire Department and is located behind one of their central fire stations. There is no fire training facility in the north county that can accommodate the multi-company, multi-jurisdictional, multi-disciplines, needed to adequately prepare for the communities emergency response needs. This new partnership, with San Joaquin Delta College, would be a tremendous improvement in resolving a difficult situation.

The facility would include a training tower with fire training capabilities. This would address fire training needs, with respect to maintaining skills, and present new training opportunities. Along

with fire training capabilities, the complex would include specific sites that would accommodate training for the Hazardous Material Response Team and the Technical Rescue Team. These teams represent a county-wide membership and would be used in the event of a weapons of mass destruction attack. The site would include training capabilities for a variety of disciplines within each team function.

**What other organizations, in California, Washington DC, or nationally, might be expected to support this request?**

San Joaquin Delta College (local community college), supports the development of the Public Safety Training Facility with voter approved bond proceeds in excess of \$15,000,000 and is currently in the process of a campus land acquisition in the Lodi area.

The San Joaquin County Police Chief's & Sheriff's Association have voted unanimously to support this project and are committed to providing staff and resources to ensure its success.

The Lodi City Council has endorsed the location of a San Joaquin Delta College Satellite Campus in the Lodi area, to include Police & Fire Training Facilities

**What other organizations, in California, Washington DC, or nationally, might be expected to oppose this request?**

None

**Is this project completely in California's 11<sup>th</sup> Congressional District? If not what other districts is this project in?**

**This is completely in the 11<sup>th</sup> Congressional District.**

**Other Comments/Misc. Information? None**



**FY 05/06 Budget-Street Capital Projects  
Schedule and Project Costs**

(compiled from FY05/06 Budget)

	2005-06	2006-07	2007-08	2008-09	Project Total
<b><u>Street Maintenance</u></b>					
Turner Road Reconstruction (LSR > Mills)	\$ 40,000	\$ 714,000			\$ 754,000
Lodi Avenue Overlay (Pacific Ave Extension)	\$ 1,083,000				\$ 1,083,000
Stockton Street Reconstruction (Harney > Kettleman)		\$ 741,000			\$ 741,000
*Hutchins Street Reconstruction (Lodi > Pine)				Unfunded	\$ 465,000
Church Street Overlay (Lodi > Lockeford)		\$ 450,000			\$ 450,000
*Vine Street Reconstruction		Unfunded -design	Unfunded - const.		\$ 280,000
*Maple Street Reconstruction (Washington > Cherokee)		Unfunded -design	Unfunded - const.		\$ 270,000
Mills Avenue Overlay (Elm > Turner)		\$ 15,000	\$ 490,000		\$ 505,000
Elm Street Overlay (Ham > Hutchins)		\$ 15,000	\$ 365,000		\$ 380,000
Elm Street Overlay (Mills > LSR)		\$ 15,000	\$ 420,000		\$ 435,000
Sacramento Street Reconstruction (Lodi > Tokay)	\$ 50,000	\$ 75,000			\$ 125,000
*Maxwell & Ackerman Overlay		Unfunded			\$ 218,000
*Lodi Avenue Reconstruction (UPPR > SR99)			Unfunded		\$ 2,250,000
*Walnut Street (School to Sacramento)	Unfunded				\$ 163,000
*Walnut Street (Church to School)		Unfunded			\$ 182,000
*Oak Street (School to Sacramento)		Unfunded			\$ 59,000
*Sacramento Street (Oak to Walnut)			Unfunded		\$ 235,000
*Oak Street (Church to School)				Unfunded	\$ 45,000
*Locust Street (Church to School)				Unfunded	\$ 124,000
*Grapestake Fence Replacement	Unfunded	Unfunded	Unfunded	Unfunded	\$ 876,000
Subtotal	\$ 1,173,000	\$ 2,025,000	\$ 1,275,000	\$ -	\$ 9,640,000
<b><u>Street Expansion</u></b>					
Lockeford Street Widening Phase 1	\$ 561,000				\$ 561,000
*Lockeford Street Widening Phase 2				Unfunded	\$ 1,945,000
Lower Sacramento Road Landscaping	\$ 300,000				\$ 300,000
*Lodi Avenue Driveway at OSH	Unfunded				(developer)
Kettleman Lane/SR99 Interchange (Phase 1)	\$ 50,000				\$ 50,000
*Kettleman Lane/SR99 Interchange (Phase 2)		Unfunded	Unfunded		\$ 200,000
Century Boulevard Extension	\$ 638,000				\$ 638,000
Subtotal	\$ 1,549,000	\$ -	\$ -	\$ -	\$ 3,694,000
<b><u>Traffic Control/Safety</u></b>					
Computerized Sign Making Equipment	\$ 11,000				\$ 11,000
<b><u>New Traffic Signal and Street Lighting Improvements</u></b>					
Lockeford Street and Sacramento Street	\$ 237,000				\$ 237,000
Ham Lane and Harney Lane			\$ 200,000		\$ 200,000
<b><u>Signal Modifications</u></b>					
Church Street/ Lockeford Street	\$ 70,000				\$ 70,000
Lodi Avenue/ Crescent Avenue					
Lodi Avenue/ Stockton Street					
<b><u>Signal Cabinet/ Controller Equipment Replacement</u></b>					
Elm Street/ Ham Lane	\$ 50,000		\$ 25,000		\$ 75,000
Church Street/ Lockeford Street					
Preventive Signal Maintenance	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 100,000
Misc. Traffic Equipment/Improvements	\$ 5,000				\$ 5,000
Subtotal	\$ 398,000	\$ 25,000	\$ 250,000	\$ 25,000	\$ 698,000
<b><u>Pedestrian/Bike</u></b>					
Handicap Retrofit,	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 600,000
<b><u>Miscellaneous</u></b>					
Pedestrian Improvements	\$ 149,000				\$ 149,000
Elm Street at Loma Drive Lighted Xwalk					
Mills Avenue S/ Jerry Lane and Yosemite Drive Flashing beacons					
Elm Street W/ Mills Avenue, E/ Loma Drive Flashing beacons					
Mills Avenue and Elm Street Flashing beacon					
Subtotal	\$ 299,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 749,000
<b>Total Funded:</b>	<b>\$ 3,319,000</b>	<b>\$ 1,384,000</b>	<b>\$ 1,675,000</b>	<b>\$ 175,000</b>	<b>\$ 6,553,000</b>
<b>Total Unfunded:</b>					<b>\$ 8,228,000</b>

\*Unfunded



# CITY OF LODI

## COUNCIL COMMUNICATION

TM

**AGENDA TITLE:** Approval of Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation and Various Other Cases being Handled by Outside Counsel (\$111,268.43), and Approval of Special Allocation Covering General Litigation Matter Expenses (\$10,066.11).

**MEETING DATE:** December 21, 2005 City Council Meeting

**PREPARED BY:** City Attorney's Office

**RECOMMENDED ACTION:** That the City Council approve for payment expenses incurred by outside Counsel/Consultants related to the Environmental Abatement Litigation and various other cases being handled by Outside Counsel in the total amount of \$111,268.43, and approve Special Allocation for General Litigation Matter Expenses in the amount of \$10,066.11 to be paid from the General Fund.

**BACKGROUND INFORMATION:** Listed below are invoices from the City's outside counsel, Folger, Levin & Kahn and Kronick, Moskowitz, Tiedemann & Girard for services incurred relative to the Environmental Abatement Program litigation and various other cases that are currently outstanding and need to be considered for payment. A Special Allocation is required for those matters that are not to be paid out of the Water account (\$10,066.11). Deductions from the invoices are reflected in parenthesis.

### Folger Levin & Kahn - Invoices Distribution

Matter No.	Invoice No.	Date	Description	Total Amount
8001	91583	10/31/05	General Advice/Environmental Matters	\$190.36
8002	91556	10/31/05	People v M&P Investments	\$18,631.79
				(\$805.00)
8003	91559	10/31/05	Hartford Insurance Coverage Litigation	\$26,245.25
				(\$470.00)
8005	91560	10/31/05	Unigard Insurance	\$1,008.20
8006	91561	10/31/05	Fireman's Fund/Unigard Appeal	\$557.83
8008	91562	10/31/05	Envision Law Group	\$54,268.88
				<u>\$99,627.31</u>

### Kronick Moskowitz Tiedemann & Girard - Invoices Distribution

Matter No.	Invoice No.	Date	Description	Total Amount	Distribution	
					100351.7323	183453.7
11233.001	222267	10/25/05	General advice	405.00	405.00	
11233.019	222267	10/25/05	Claims by Environmental Cons.	1,096.00		1,096.00
				(\$54.00)		-54.00
11233.026	222267	10/25/05	Lodi First v. City of Lodi	1,008.11	1,008.11	
11233.027	222267	10/25/05	Citizens for Open Govt.v.Col	449.35	449.35	
				<u>2,904.46</u>	<u>1,862.46</u>	<u>1,042.00</u>

APPROVED:

Blair King, City Manager

**Kronick Moskovitz Tiedemann & Girard - Invoices Distribution**

Matter No.	Invoice No.	Date	Description	Total	Distribution	183453.7323
				Amount	100351.7323	
11233.001	222698	11/25/05	General advice	124.94	124.94	
11233.019	222698	11/25/05	Claims by Environmental Cons.	533.01		533.01
11233.026	222698	11/25/05	Lodi First v. City of Lodi	7,667.60	7,667.60	
11233.027	222698	11/25/05	Citizens for Open Govt.v.Col	411.11	411.11	
				<u>8,736.66</u>	<u>8,203.65</u>	<u>533.01</u>

**FISCAL IMPACT:** Expenses in the amount of \$10,066.11 for legal representation related to miscellaneous City matters being handled by outside counsel will be paid out of the General Fund (\$9,536.17 of this amount will be billed to Walmart for City's defense of the Lodi First and Citizens for Open Gov't. litigation).

**FUNDING AVAILABLE:**

Water	\$ 101,202.32
General Fund	\$ 10,066.11

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Stephen Schwabauer  
City Attorney

Approved:

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Jim Krueger, Finance Director



**LODI CITY COUNCIL**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**AGENDA - Lodi Public Improvement Corp.**  
**Date: December 21, 2005**  
**Time: 7:00 p.m.**

For information regarding this Agenda please contact:

**Susan J. Blackston**  
**City Clerk**  
**Telephone: (209) 333-6702**

***MEETING OF THE***  
***Public Improvement Corporation (PIC)***  
***of the City of Lodi***

- A. Call to order – President
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- D. Other business
- E. Comments by the public on non-agenda items
- F. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Susan J. Blackston  
Secretary  
Lodi Public Improvement Corporation



TM

## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Meeting of the Lodi Public Improvement Corporation (LPIC) for the Purpose of Electing New Officers

**MEETING DATE:** December 21, 2005

**PREPARED BY:** City Clerk

---

**RECOMMENDED ACTION:** That the Lodi Public Improvement Corporation (LPIC) conduct a meeting for the purpose of electing new officers to the Corporation and adopt resolution certifying same.

**BACKGROUND INFORMATION:** Inasmuch as the City Council has reorganized, it is necessary to appoint new officers to the Corporation.

The City Council will appoint the newly elected Mayor and Mayor Pro Tempore as determined in the Council's reorganization to serve as the officers for calendar year 2006.

There is no other business to come before the Corporation at this meeting.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

---

Susan J. Blackston  
Secretary  
Lodi Public Improvement Corporation

SJB/jmp

---

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

RESOLUTION NO. LPIC2005-01

A RESOLUTION ELECTING OFFICERS OF THE  
LODI PUBLIC IMPROVEMENT CORPORATION

=====

WHEREAS, under the organizational procedures of the Lodi Public Improvement Corporation, an annual meeting of Directors shall be held and officers elected.

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Lodi Public Improvement Corporation that the following persons are elected to the offices set forth opposite their names below as officers of the Corporation, to serve until the election and qualification of their successors as provided in Article III, Section 2, of the bylaws of the Corporation:

<u>Name</u>	<u>Title</u>
Susan Hitchcock	President
Bob Johnson	Vice President
James R. Krueger	Treasurer
Susan J. Blackston	Secretary

Dated: December 21, 2005

=====

I hereby certify that Resolution No. LPIC2005-01 was passed and adopted by the Board of Directors of the Lodi Public Improvement Corporation in a regular meeting held December 21, 2005, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

SUSAN J. BLACKSTON  
Secretary

LPIC2005-01



**LODI CITY COUNCIL**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**AGENDA - Industrial Development Authority**

**Date: December 21, 2005**

**Time: 7:00 p.m.**

For information regarding this Agenda please contact:

**Susan J. Blackston**  
**City Clerk**  
**Telephone: (209) 333-6702**

**Industrial Development Authority (IDA)**  
**of the City of Lodi**

- A. Call to order – Chairperson
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- D. Other business
- E. Comments by the public on non-agenda items
- F. Adjournment

Pursuant to Section 54956.2(a) of the Government Code of the State of California, this Agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

---

Susan J. Blackston  
Secretary  
Industrial Development Authority



## CITY OF LODI COUNCIL COMMUNICATION

TM

**AGENDA TITLE:** Meeting of the Industrial Development Authority (IDA) for the Purpose of Electing New Officers

**MEETING DATE:** December 21, 2005

**PREPARED BY:** City Clerk

---

**RECOMMENDED ACTION:** That the Industrial Development Authority (IDA) of the City of Lodi adopt resolution electing new officers for calendar year 2006.

**BACKGROUND INFORMATION:** Inasmuch as the City Council has reorganized, it is recommended that the Industrial Development Authority elect the new officers to the Authority.

The City Council will appoint the newly elected Mayor and Mayor Pro Tempore as determined in the Council's reorganization to serve as the officers for calendar year 2006.

There is no other business to come before the Authority at this meeting.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

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Susan J. Blackston  
Secretary  
Industrial Development Authority

SJB/jmp

Attachments

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**APPROVED:** \_\_\_\_\_  
Blair King, City Manager



RESOLUTION NO. IDA-27

A RESOLUTION OF THE INDUSTRIAL DEVELOPMENT  
AUTHORITY AMENDING RESOLUTION NO. IDA-26 BY  
ELECTING NEW OFFICERS

=====

RESOLVED by the Industrial Development Authority that Industrial Development Authority Resolution No. IDA-26 is hereby amended by electing new officers, as follows:

SECTION 1: There shall be appointed from the Board of Directors a Chairperson and Vice Chairperson as follows:

Chairperson: Susan Hitchcock

Vice Chairperson: Bob Johnson

SECTION 2: There shall be appointed from the staff to the Authority, a Secretary and Treasurer, as follows:

Secretary: Susan J. Blackston

Treasurer: James R. Krueger

SECTION 3: This Resolution shall take effect immediately upon its passage.

=====

Approved and adopted December 21, 2005, by the following vote:

AYES: AUTHORIZING MEMBERS –

NOES: AUTHORIZING MEMBERS –

ABSENT: AUTHORIZING MEMBERS –

ABSTAIN: AUTHORIZING MEMBERS –

\_\_\_\_\_  
SUSAN HITCHCOCK  
Chairperson, Industrial Development  
Authority, City of Lodi, California

Attest:

SUSAN J. BLACKSTON, Secretary  
Industrial Development Authority,  
City of Lodi, California



**LODI CITY COUNCIL**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**AGENDA - Lodi Financing Corporation**  
**Date: December 21, 2005**  
**Time: 7:00 p.m.**

For information regarding this Agenda please contact:

**Susan J. Blackston**  
**City Clerk**  
**Telephone: (209) 333-6702**

***MEETING OF THE***  
***Lodi Financing Corporation***

- A. Call to order – President
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- D. Other business
- E. Comments by public on non-agenda items
- F. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Susan J. Blackston  
Secretary  
Lodi Financing Corporation



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Meeting of the Lodi Financing Corporation for the Purpose of Electing New Officers  
**MEETING DATE:** December 21, 2005  
**PREPARED BY:** City Clerk

---

**RECOMMENDED ACTION:** That the Lodi Financing Corporation conduct a meeting for the purpose of electing new officers to the Corporation and adopt resolution certifying same.

**BACKGROUND INFORMATION:** Inasmuch as the City Council has reorganized, it is necessary to appoint new officers to the Corporation.

The City Council will appoint the newly elected Mayor and Mayor Pro Tempore as determined in the Council's reorganization to serve as the officers for calendar year 2006.

There is no other business to come before the Corporation at this meeting.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

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Susan J. Blackston  
Secretary  
Lodi Financing Corporation

SJB/jmp

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**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

RESOLUTION NO. LFC-14

A RESOLUTION ELECTING OFFICERS OF  
THE LODI FINANCING CORPORATION

=====

WHEREAS, under the organizational procedures of the Lodi Financing Corporation, an annual meeting of Directors shall be held and officers elected.

NOW, THEREFORE, BE IT RESOLVED by the Directors of the Lodi Financing Corporation that the following persons are elected to the offices set forth opposite their names below as officers of the Corporation, to serve until the election and qualification of their successors as provided in Article III, Section 303, of the bylaws of the Corporation:

<u>Name</u>	<u>Title</u>
Susan Hitchcock	President
Bob Johnson	Vice President
James R. Krueger	Treasurer
Susan J. Blackston	Secretary

Dated: December 21, 2005

=====

I hereby certify that Resolution No. LFC-14 was passed and adopted by the Board of Directors of the Lodi Financing Corporation in a regular meeting held December 21, 2005, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

SUSAN J. BLACKSTON  
Secretary



**LODI CITY COUNCIL**  
**Carnegie Forum**  
305 West Pine Street, Lodi

**AGENDA – Redevelopment Agency**

**Date: December 21, 2005**

**Time: 7:00 p.m.**

For information regarding this Agenda please contact:

**Susan J. Blackston**  
**City Clerk**  
**Telephone: (209) 333-6702**

**MEETING OF THE**  
**Redevelopment Agency**  
**Of the City of Lodi**

- A. Call to order – Chairperson
- B. Roll call to be recorded by Secretary
- Res. C. Resolution electing new Officers
- D. Other business
- E. Comments by the public on non-agenda items
- F. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

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Susan J. Blackston  
Secretary  
Redevelopment Agency of the City of Lodi



TM

## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Meeting of the Redevelopment Agency of the City of Lodi for the Purpose of Electing New Officers

**MEETING DATE:** December 21, 2005

**PREPARED BY:** City Clerk

---

**RECOMMENDED ACTION:** That the Lodi Redevelopment Agency conduct its annual meeting and adopt resolution electing its new officers for calendar year 2006.

**BACKGROUND INFORMATION:** Inasmuch as the City Council has reorganized, it is necessary to appoint new officers to the Agency.

The City Council will appoint the newly elected Mayor and Mayor Pro Tempore as determined in the Council's reorganization to serve as the officers for calendar year 2006.

There is no other business to come before the Agency at this meeting.

**FISCAL IMPACT:** None.

**FUNDING AVAILABLE:** None required.

---

Susan J. Blackston  
Secretary  
Lodi Redevelopment Agency

SJB/jmp

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**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

RESOLUTION NO. RDA2005-01

A RESOLUTION OF THE REDEVELOPMENT AGENCY  
OF THE CITY OF LODI ELECTING OFFICERS  
OF SAID AGENCY AND WAIVING COMPENSATION FOR  
THE DECEMBER 21, 2005, MEETING

---

WHEREAS, under the organizational procedures of the Redevelopment Agency of the City of Lodi, an annual meeting of Members shall be held and officers elected.

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF LODI DOES HEREBY RESOLVE that the following persons are elected to the offices set forth opposite their names below as officers of the Agency, to serve until the election and qualification of their successors as provided in Article II of the bylaws of the Agency:

<u>Name</u>	<u>Title</u>
Susan Hitchcock	Chairperson
Bob Johnson	Vice Chairperson
Blair King	Executive Director
Susan J. Blackston	Secretary
James R. Krueger	Finance Director
D. Stephen Schwabauer	General Counsel

NOW, THEREFORE, THE REDEVELOPMENT AGENCY OF THE CITY OF LODI DOES FURTHER RESOLVE that the members of the Agency have waived the entitled compensation for the December 21, 2005, meeting.

Dated: December 21, 2005

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I hereby certify that Resolution No. RDA2005-01 was passed and adopted by the Members of the Redevelopment Agency of the City of Lodi in a regular meeting held December 21, 2005, by the following vote:

AYES: MEMBERS –  
NOES: MEMBERS –  
ABSENT: MEMBERS –  
ABSTAIN: MEMBERS –

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SUSAN HITCHCOCK  
Chairperson, City of Lodi  
Redevelopment Agency

Attest:

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SUSAN J. BLACKSTON  
Secretary, City of Lodi Redevelopment Agency

RDA2005-01